Bharti Infratel Limited

June 29, 2019

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400001

National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G, Bandra Kurla Complex,
Bandra (E), Mumbai - 400051

Ref: Bharti Infratel Limited (534816 / INFRATEL)

Sub: Notice of 13th (Thirteenth) Annual General Meeting

Dear Sir / Madam,

Pursuant to Regulation 30, 44 and other applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are pleased to inform you that:

- The 13th (Thirteenth) Annual General Meeting (AGM) of the Company will be held on Tuesday, July 23, 2019. Notice of the AGM along with the Integrated Report & Annual Accounts 2018-19 is enclosed.

- The Company is offering e-voting facility to its members in respect of business(es) to be transacted at the AGM. The facility to exercise vote at the aforesaid AGM by electronic means (remote e-voting) and voting at AGM venue on all resolutions as set out in the Notice will be provided to those members, holding shares either in physical or electronic form as on the cut-off date i.e. July 16, 2019. The remote e-voting will commence on Saturday, July 20, 2019 at 9:00 A.M. and will end on Monday, July 22, 2019 at 5.00 P.M. (both days inclusive).

Kindly take the above information on record.

Thanking you,

Yours Sincerely,
For Bharti Infratel Limited

Samridhi

BHARTI INFRATEL LIMITED HARYANA

Samridhi Rodhe
Company Secretary

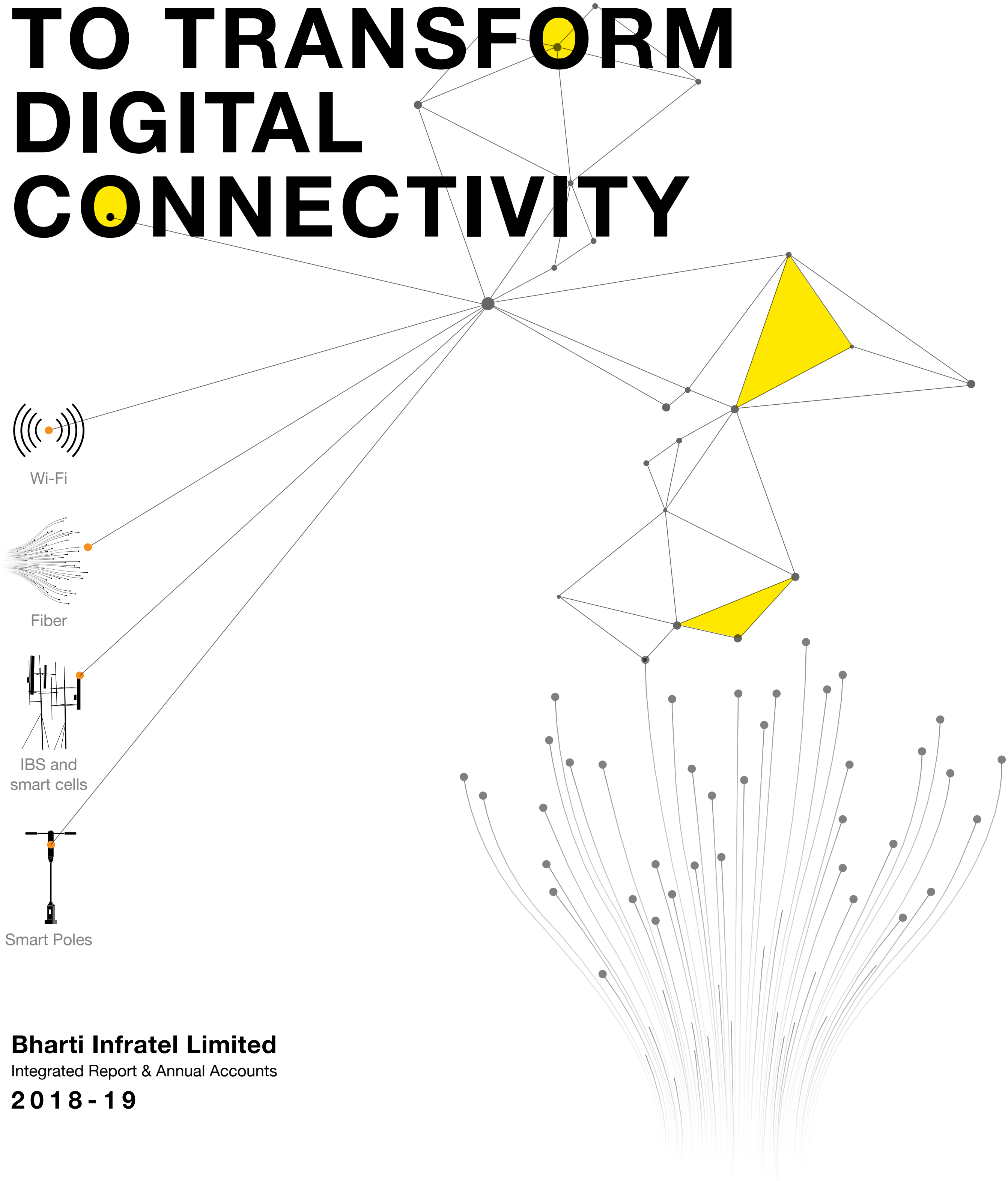
Cc:

1. Central Depository Services (India) Ltd., Marathon Futurex, A-Wing, 25th floor, NM Joshi Marg, Lower Prael, Mumbai – 400013

2. National Securities Depository Ltd., Trade World, A-Wing, 4th floor, Kamala Mills Compound, Lower Parel, Mumbai – 400013

3. Karvy Fintech Private Ltd., Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500032

GEARING UP TO TRANSFORM DIGITAL CONNECTIVITY



Bharti Infratel Limited

Integrated Report & Annual Accounts

2018-19

Reporting Framework

Our report follows the International <IR> Framework <IR> as developed by the International Integrated Reporting Council (IIRC), which allows us to tell our members and other stakeholders how we create value for them.

www.integratedreporting.org/

Scan this code with a QR reader app on your smartphone or tablet and know more about us

The financial and statutory data presented are in line with the requirements of Companies Act, 2013, (including the rules made thereunder), Indian Accounting Standards, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards.

www.mca.gov.in

www.icai.org

www.sebi.gov.in

www.icsi.edu

You can also find this report online :

www.bharti-infratel.com

The cover design represents an abstract version of digital and technological investments made by Bharti Infratel, showcasing how well it is positioned to meet the growth in the telecom sector. This abstract creative rendition illustrates the new and different technologies that are a part of the business model for Bharti Infratel and form the foundation for next-level business growth.

Materiality aspect

This Integrated Annual Report focuses on material developments and issues that have an impact on both financial and non-financial performance indicators. We have tried to cover all the aspects that may have a bearing on the business operations and the value created for stakeholders.

Reporting period

This Integrated Report primarily covers the period of 12 months from April 1, 2018 to March 31, 2019. However, there are sections of the report that represent facts and figures of previous years as well. The details and information in the Integrated Report pertains to Bharti Infratel Limited on standalone basis unless otherwise specified. Both the financial and non-financial aspects are in accordance with the applicable laws, regulations and standards of India.

Forward-looking statements

We have exercised utmost care in the preparation of this report. It might include forecasts and/ or information relating to forecasts. Facts, expectations, and past figures are the basis to form forecasts. As it is the case with all forward-looking statements, it means that the actual result may deviate significantly from the forecast. As a result of the above-mentioned circumstances, we can provide no warranty regarding the correctness, completeness, and up-to-date nature of the information taken, and declared as being taken, from third parties, as well as for forward-looking statements, irrespective of whether these derive from third parties or ourselves. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Key company information

Bharti Infratel Limited

CIN: L64201HR2006PLC073821

BSE Code: 534816

NSE Code: INFRATEL

Listing date: December 28, 2012

Assurance

To ensure the integrity of the financial and non-financial numbers presented in the Integrated Report for the FY 2018-19 (Page no. 1-69), a Limited Assurance Statement on key performance indicators ("KPIs") has been obtained from Deloitte Haskins & Sells LLP which is available on our website at **www.bharti-infratel.com**.

Akhil Gupta
Chairman

D S Rawat
Managing Director & CEO

Corporate Information

Board of Directors

Akhil Gupta
Chairman

Anita Kapur
Independent Director

Bharat Sumant Raut
Independent Director

D S Rawat
Managing Director & CEO

Jitender Balakrishnan
Independent Director

Leena Srivastava
Independent Director

N Kumar
Independent Director

Prakul Kaushiva
Non-Executive Director

Rajan Bharti Mittal
Non-Executive Director

R P Singh
Independent Director

Tao Yih Arthur Lang
Non-Executive Director

Chief Financial Officer

S Balasubramanian

Company Secretary and Compliance Officer

Samridhi Rodhe

Statutory Auditors

Deloitte Haskins & Sells LLP
Chartered Accountants

Internal Assurance Partners

Ernst & Young, LLP

Secretarial Auditor

Chandrasekaran Associates
Company Secretaries

Registered Office

901, Park Centra, Sector 30, NH-8,
Gurugram, Haryana - 122 001, India

Corporate Office

Bharti Crescent, 1, Nelson Mandela
Road, Vasant Kunj, Phase – II,
New Delhi - 110 070, India

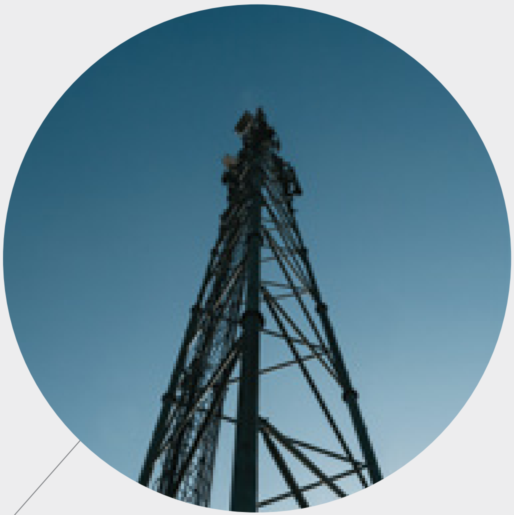
Corporate Identification Number (CIN)

L64201HR2006PLC073821

Website

www.bharti-infratel.com

Pg 12
Message from Chairman



Pg 06
Bharti Infratel at a Glance

Pg 14
Message from Managing Director & CEO

Inside the Report

Integrated Report

Management Reports

Financial Statements

Consolidated Financial Statements

Standalone Financial Statements

With the telecommunication sector gaining momentum and progressing forward,the need for innovative and hi-tech technology becomes imperative for telecom companies. Looking at the present panorama of mobile connectivity, it can be assumed that as India races more vigorously towards the tag of digitally connected, consumers hover at the brink of a major telecommunications breakthrough.

Smart Pole at Bhopal Smart City

At Bharti Infratel, the vision remains the same. Our priority centers around the creation of life changing and cutting-edge technology that shall comply with the demands of the public. In this huge web of networking where a lot of telecom operators bank on us, we have emerged as a brand that works actively towards achieving sustained exponential growth. Upon our merger with Indus Towers, we strive to create the largest in-country tower company in the world after China.

As a fresh new year awaits us, Bharti Infratel's outlook is aligned with dreams of a new and digitized India, by replacing obsolete infrastructure and bringing in revolutionary advancements. The core of our efforts revolves around our strategy to produce quality and trustworthy innovation, along with a special focus on our social and environmental responsibilities. Backed by our past credentials of successful endeavours, we look forward to an inspiring metamorphosis of our aspirations into reality.

Bharti Infratel at a Glance

India's leading provider of telecom towers and communications infrastructure, Bharti Infratel, continues to dominate the tower space with 92,277* towers across its 22 telecommunication circles* in the country.

Bharti Infratel's business model is centered around providing infrastructure for co-locating of telecommunication assets, acting as an independent and neutral provider for wireless operators. We emphasise on providing innovative, eco-friendly, efficient, sustainable and quality solutions to create value for our stakeholders. Our portfolio consists of towers we own and operate pursuant to long-term lease arrangements, which provides seamless infrastructure solutions across various geographies and locations.

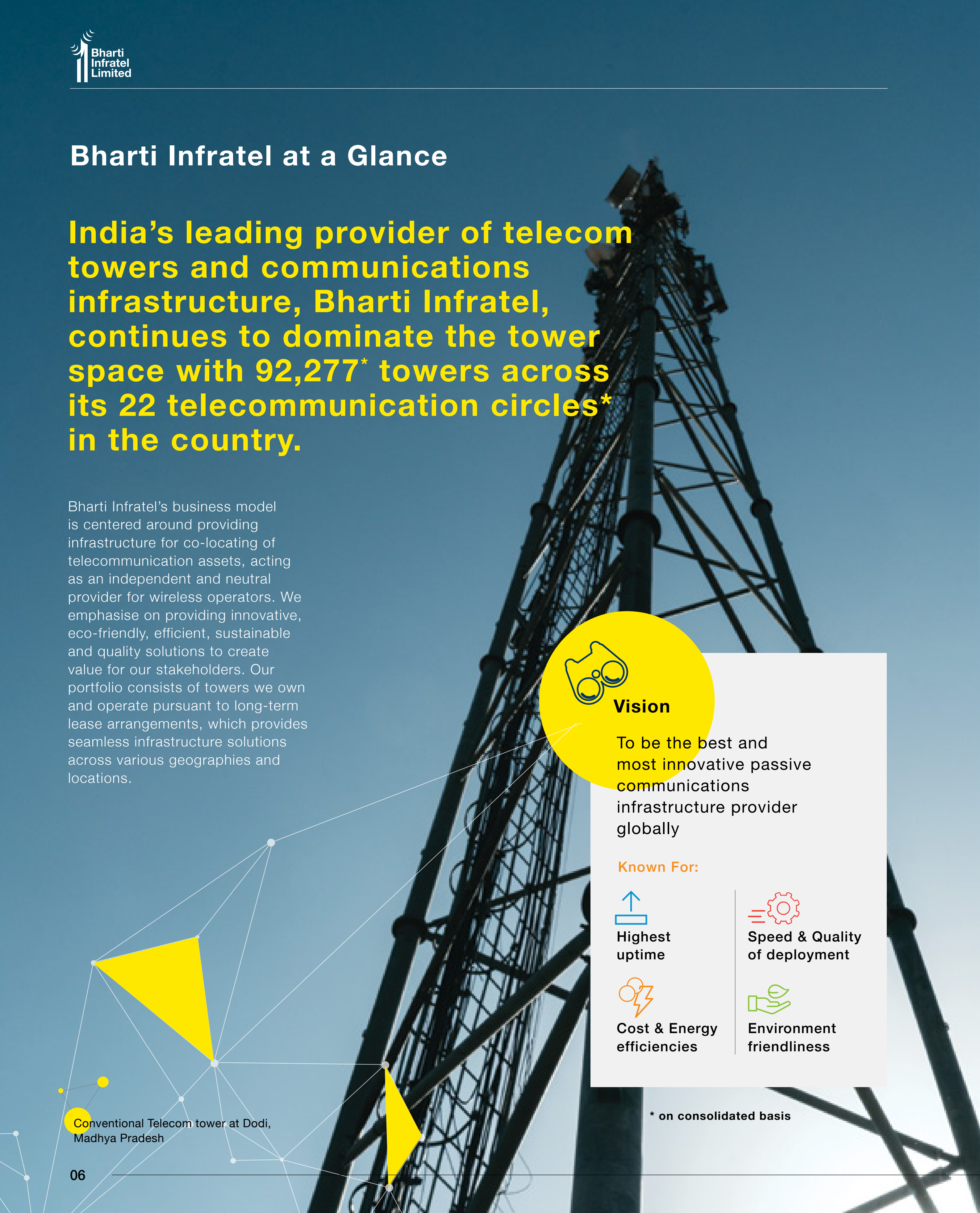
Vision

To be the best and most innovative passive communications infrastructure provider globally

Known For:

- Highest uptime
- Speed & Quality of deployment
- Cost & Energy efficiencies
- Environment friendliness

* on consolidated basis



Conventional Telecom tower at Dodi, Madhya Pradesh

Our DNA

In the process of achieving these objectives, we will not compromise on our core values which are:

Drive for innovation

- Infuse new ideas to address emerging market needs and future possibilities
- Focus on quality and process simplification

Commercial thinking

- Make decisions based on cost impact and execute them to add value

Develop people and partnership

- Establish mutually rewarding internal and external relationships
- Develop self and high performance teams
- Be transparent and consistent in words and actions

Drive for result

- Proactive approach to exceed challenging goals and customer expectations

2006
Incorporated as an Independent company

40,388
Towers set-up (as on March 31, 2019)

76,341
Total Co-locations

580
Market capitalisation (₹ in Bn) (as on March 31, 2019)

Note: All the figures on this page are on standalone basis.

Performance Review[5]

Particulars	Units	Full Year Ended[4]				
		2015	2016	2017	2018	2019
Total Towers	Nos	85,892	88,808	90,646	91,451	92,277
Total Co-locations	Nos	182,294	195,035	210,606	205,596	172,724
Average Sharing factor	Times	2.06	2.16	2.26	2.29	2.06
Closing Sharing factor	Times	2.12	2.20	2.32	2.25	1.87
Sharing Revenue per Tower per month	₹	69,148	74,513	78,318	82,094	77,322
Sharing Revenue per Sharing Operator per month	₹	33,488	34,499	34,648	35,702	36,886
Consolidated financials						
Revenue[1]	₹ Mn	115,646	123,313	134,237	144,896	145,823
EBITDA[1]	₹ Mn	49,215	54,478	59,420	64,272	60,733
EBIT[1]	₹ Mn	27,572	31,871	36,343	40,339	37,773
Finance Cost (Net)	₹ Mn	(3,364)	(1,848)	(4,414)	-	(1,571)
Profit before tax	₹ Mn	36,074	35,766	42,211	42,262	41,021
Profit after tax[3]	₹ Mn	22,027	22,474	27,470	24,937	24,938
Capex	₹ Mn	20,492	21,243	21,788	21,820	17,961
- of which maintenance & general Corporate capex	₹ Mn	5,116	4,753	5,048	5,166	4,275
Operating free cash flow[1]	₹ Mn	29,106	32,879	37,209	42,021	42,366
Adjusted Fund from operations (AFFO)[1]	₹ Mn	44,482	49,369	53,949	58,675	56,052
Total Capital Employed	₹ Mn	112,230	121,848	119,738	117,836	119,393
Net Debt /(Net Cash)	₹ Mn	(63,981)	(60,414)	(35,127)	(51,708)	(25,852)
Shareholder's Equity	₹ Mn	176,301	182,262	154,865	169,544	145,245
Key Ratios						
EBITDA Margin[2]	%	42.6	44.2	44.3	44.4	41.6
EBIT Margin[2]	%	23.8	25.8	27.1	27.8	25.9
Net profit Margin[2]	%	19.0	18.2	20.5	17.2	17.1
Net Debt / (Net Cash) to EBIDTA (LTM)	Times	(1.30)	(1.11)	(0.59)	(0.80)	(0.43)
Interest Coverage ratio (LTM)	Times	13.65	18.50	22.17	24.83	19.85
Return on Capital Employed (LTM) Pre tax	%	23.8	27.2	30.1	34.0	31.8
Return on Shareholder's Equity Pre tax	%	20.5	19.9	25.0	26.1	26.1
Return on Shareholder's Equity (LTM) Post tax	%	12.5	12.5	16.3	15.4	15.8
Valuation indicators						
Market Capitalisation	₹ Bn	729	724	603	622	580
Enterprise value	₹ Bn	665	664	568	570	554
EV/EBITDA (LTM)	Times	13.51	12.19	9.55	8.87	9.12
EPS (Diluted)	₹	11.63	11.86	14.73	13.49	13.49
PE Ratio	Times	33.10	32.22	22.13	24.92	23.23

1. Revenue, EBITDA, EBIT, Operating free cash flow and Adjusted Fund from Operations (AFFO) are excluding other income.
2. EBITDA, EBIT and Net profit margin have been computed on revenue excluding other income.
3. Profit after tax excludes impact of Other Comprehensive Income
4 Previous periods' figures have been regrouped/ rearranged wherever necessary to confirm to current period classifications
5. In the past, we have been presenting our consolidated financial results based on proportionate consolidation method as required under previous GAAP. In order to ensure continuity of comparison by our investors even after introduction of IND AS, we have consistently continued to disclose the results based on the erstwhile proportionate consolidation method (Proforma consolidated financials) for presentation in our quarterly audited results to investors. The Company has disclosed the above Proforma consolidated financials from FY 2015-16 onwards based on segment information in the audited consolidated financial statement of IND AS (refer note 45 of notes to consolidated financial statements on page number 226 for FY 2017-18 and FY 2018-19) and other relevant information. For FY 2014-15 proforma consolidated financials (using proportionate consolidation method) are based on agreed upon procedure report of the auditors on previous GAAP audited financial information adjusted with the impact of adjustments due to IND AS accounting policies for these years.

Read more on page 27

2,222
On-roll employees

92,277
Total tower base

3,110
Solar powered towers

22
Telecom circles across India

45,531
Green sites

49%
Green network

172,724
Co-locations

1.87
Closing sharing factor

Note: All the figures on this page are on consolidated basis

Creating Value for Our Stakeholders

	Stakeholder	Strategic Priority	How we indulge
Investors	— Shareholders — Fund Managers — Equity and Credit Research Analysts — Institutional investors (Foreign and Domestic)	— Improved profitability and returns — Strong Balance Sheet and effective risk management	— Hosting AGM for shareholders — Communicating financial and non-financial parameters through annual report — Holding Board meetings to review and communicate financial results — Quarterly audited reports on the operational and financial performance — Quarterly earnings call with investors post Board Meeting for discussion on the performance — Attending Investor Conference, Hosting Investor/Analyst days — Press release for significant matters — Stock Exchanges releases and updates website
Regulatory bodies	— SEBI — MCA — RBI — ICAI/ICSI — TRAI — Taxation — Department of Telecom (DoT) — Municipal Authorities	— Proper disclosure of business information — Ethical code of conduct	— Timely filings with regulators, intimation to Stock Exchanges — Conduct regular audits (financial and statutory) — Timely payment of taxes and levies to government — Adherence to environmental laws — Representations made through industrial bodies to the Regulators on industry specific/ macro level issues
Employees	— Permanent employees — Contractual employees	— Provide the best work environment with an opportunity to grow and learn	— Well defined policies viz. HR policy, employee grievance policy etc. — Regular update through internal communication — Events held during the year towards employee engagement — Career opportunities — Conduct training programs — Instituted ESOP schemes to retain and motivate employees — Succession planning and internal placement — Employee satisfaction survey
Business Partners	— Suppliers — Bankers — Landlords	— Timely payment — Long lasting relationship based on trust and mutual understanding	— Ensure transparency in communication through regular structured meetings — Annual vendor/ partner meet — 'Supplier Portal' providing a real time update for better communication — Co-develop projects to find safe, resource efficient solutions — Growing banking relationships
Customers	— Wireless network operators — Bhopal Smart City Development Corporation Limited	— Earn lasting loyalty — Operational excellence — Digital transformation	— Master Service Agreement (MSA) laying down non-discriminatory offering of services to all customers — Conduct annual customer satisfaction survey — Privacy Policy — Staying connected with our customers via Customer meets
Community	— Underprivileged individuals — NGOs — Community/ Society	— Support people in the local communities where we operate	— Identifying social concerns and areas of interventions to provide support for social development — Partner with NGOs involved in providing support to beneficiaries — Recycling initiatives — Continued to evaluate our impact on environment and took steps to move towards becoming a green company

Key Metrics	2018-19	2017-18
Earnings per share (in ₹)	15.02	13.05
RoCE (in %)	42.3	39
Dividend per share (in ₹)	15	14
Contribution to exchequer (₹ in Mn)	26,579	22,576
Spent on training and Development (₹ in Mn)	32	26
Internal Succession Rate (in %)	72.22	69
Attrition rate (in %)	10.52	10.30
Payment Process (Mean score)	4.42	4.20
Partner satisfaction index	4.49	4.42
Customer satisfaction index	4.88	4.72
Amount spent towards CSR activities (₹ in Mn)	414	214
No. of people benefited	3,50,000+	1,85,000+

Note: All the figures on this page are on standalone basis

Message from Chairman

In the last few years, we have planted the seeds for venturing into adjacent business opportunities which are emerging as the telecom industry undergoes another transition.

Dear Shareholders,

During the year FY 2018-19, the Indian Telecom Industry continued to surpass more milestones, notable among those being a nation of over a billion mobile phones & digital identities and half a billion internet users with the highest mobile data consumption in the world.

The digital wave is sweeping across the nation with exponential growth in data volumes witnessed among both on consumer and enterprise side, rising consumption of content especially video, proliferation of mobile-app based & e-commerce platforms, among others. According to Department of Telecommunications, "At the current pace of digitization and digitalization, it is estimated that India's digital economy has the potential to reach one trillion USD by 2025." We believe telecom infrastructure companies like ours, will have a key role to play in this growth as significant investments will be needed on the infrastructure side to provide high-speed broadband to the masses and connectivity to all uncovered areas.

2018 marked the announcement of the much awaited "National Digital Communications Policy 2018" by Department of Telecommunications. This is a forward looking policy providing roadmap for the next level of growth and development of the communications sector. For companies engaged in telecom infrastructure, the policy also has a number of positive developments such as enhanced scope of IP-1s to offer active infrastructure along with passive, according the status of critical and essential infrastructure to telecom infrastructure, facilitating Fiber-to-the tower program to enable fiberization of at least 60% telecom towers and, promoting collaborative models for provision of shared duct infrastructure, alongside roads/ highways, IBS in buildings compulsory through National Building Code of India (NBC), among others. By encouraging and facilitating sharing in the policy, we are more aligned than ever before with the Government on their vision of Digital India.

In terms of the industry landscape, "Operator Consolidation" as a theme entered its last phase with the shutdown of few operators and the culmination of the Vodafone-Idea and Airtel-Telenor mergers during the year. As a result, the tower companies saw significant exits of co-locations of these operators. Between Bharti Infratel and Indus Towers, approximately 20% of opening co-locations were lost during the year translating to approximately 75,000 co-locations on an overall basis and approximately 40,000 co-locations on consolidated basis.

However as stated before, we believe the silver lining of this turmoil has been a favorable industry structure which from a peak of 14 operators has now stabilized at 3 private operators along with a nationwide Government-operator presence in the form of BSNL and MTNL. In the long run, this would result in more nationwide rollouts as compared to regional strategies earlier.

On the operations side, while new co-locations have been impacted by the ongoing consolidation, we have seen an all-time high 4G BTS deployment by operators in the last year. Most of these were in the form of additional loading on existing towers. Given the high percentage of 3G/4G loaded towers, we are now seeing healthy gross tower additions which we believe is a leading indicator of co-location demand.

The key operational and financial highlights of the year were:

- As on March 31, 2019, the consolidated tower base stood at 92,277 with consolidated co-locations at 172,724 Y-o-Y with a co-location factor of 1.87 at closing. It is important to highlight that despite unprecedented loss of co-locations, the overall financial performance for the year ended March 31, 2019 has only been marginally lower than last year.
- Consolidated revenues for the year, at ₹145,823 Mn, grew 1% Y-o-Y
- Consolidated EBITDA at ₹60,733 Mn, declined 6% Y-o-Y, representing an operating margin of 41.6%.
- Consolidated Profit after tax at ₹24,938 Mn, was largely flat Y-o-Y
- Operating Free Cash Flow at ₹42,366 Mn, grew 1% Y-o-Y

During the year, we paid two interim dividends of ₹7.5 per share aggregating to ₹15 per share as dividends for the year. Total cash outgo for the dividend for the full year, inclusive of tax on dividend would amount to ₹33,447 Mn, ~134% of the consolidated PAT.

On the shareholder base, foreign ownership touched an all-time high of 43.91% as on March 31, 2019 as compared to 8.65% at the time of IPO in December 2012. This includes 10.3% stake held by global private equity funds - KKR and CPPIB.

We continued our focus on the "Green Towers P7 program" which is based on seven ideas aimed at minimizing dependency on diesel and, thereby, carbon footprint reduction. This program promotes (a) improving energy efficiency of tower infrastructure equipment, (b) use of renewable energy resources, and (c) reduction of equipment load on tower infrastructure equipment.

We continued to evaluate our impact on environment and took steps to move towards being a Green company. We continued to improve our Green footprint and move towards more diesel free sites in the long-run. On a consolidated basis, over 45,000 towers or 49% of our portfolio are Green as of March 31, 2019.

In the last few years, we have planted the seeds for venturing into adjacent business opportunities which are emerging as the telecom industry undergoes another transition. Both Infratel and our Joint Venture, Indus have successfully rolled out Smart City projects in this endeavor.

Last year, Bharti Infratel made a major announcement regarding an agreement to merge Indus with Bharti Infratel. Since then, the Scheme of arrangement has received approval from Competition Commission of India and No Objection from the SEBI through BSE Limited and National Stock Exchange of India Limited. Earlier this year, the meeting of shareholders and unsecured creditors of the Company was convened on February 2, 2019. The proposed resolution approving the Scheme of Arrangement was passed by the requisite majority at the respective meeting of shareholders and creditors. Approval from National Company Law Tribunal (NCLT) has also been obtained on May 31, 2019 and now the approval from Department of Telecommunications for FDI is awaited and we hope that the merger would be completed in the next few months.

To conclude, we believe with the backdrop of a forward looking National Digital Communications Policy which lays an impetus on sharing infrastructure, coupled with rapidly growing data demand and the global developments on 5G, the future potential for passive infrastructure companies like ours is very bright in the coming years. We are fully prepared to exploit this potential and meet all requirements of our customers for speedy rollouts.

Akhil Gupta
Chairman

Message from Managing Director & CEO

Despite losing 16% co-locations for the year, the Company reported 1% growth in revenues at a consolidated level

₹**145,823** Mn
Consolidated Revenue

₹**60,733** Mn
Consolidated EBITDA

₹**24,938** Mn
Consolidated PAT

Dear Shareholders,

The year 2018-19 will go in history as the year of 4G growth in India; as data volumes grew over 4X, however, the industry saw continued competitive intensity.

The telecom industry has now consolidated into a three private player market (plus one nationwide Government operator in the form of BSNL and MTNL) from a peak of 14 players a few years back. We believe this has resulted in stronger operators with the ability and capacity for higher rollouts, which was visible in their data rollouts with the Company throughout the year as well - we saw an all-time high 4G BTS deployment by operators, most of which was in the form of loading on existing towers.

The accelerated consolidation on operators' front has impacted the tower industry too, which led to a net loss of co-locations across all infrastructure providers. There were over 200K (estimated) co-locations lost due to operators shutting down or getting merged. While most of these have been played out, we have also started seeing some early uptick on the new tower demand to cater for better 4G user experience. Our closing sharing factor stands at healthy 1.87 times with a tower portfolio of 92,277 on a consolidated basis. Despite losing 16% co-locations for the year, the Company reported consolidated revenues at ₹145,823 Mn (1% growth Y-o-Y), consolidated EBITDA at ₹60,733 Mn and consolidated Net Profit at ₹24,938 Mn.

During the year, we have announced our merger with our joint venture Indus Towers creating the largest in-country tower company in the world after China. The merger has already

Moreover, in the last quarter of FY19, we also have achieved ~80% reduction of diesel consumed per kW since 2010.

received approvals from Competition Commission of India, stock exchanges, shareholders, creditors and NCLT. Now approval is pending from DoT for FDI.

The merger would create a pan India entity with 160k+ towers. Even though both companies had the same strategic direction, an improved shareholding and capital structure would lead to enhancement in returns and a reduction in holding company discount thereby creating greater value for shareholders in the long run. It will also enhance the competitive strength and future business potential. With synergies, we will realize cost efficiencies and productivity gains resulting in cost reduction in both capital and operating expenses.

I am pleased to report that Infratel has also completed the first phase of implementation of Bhopal Smart City project and we have already started the monetization of the same. It is a pioneering project wherein robust connectivity infrastructure has been shared with all possible smart applications of today and is future ready for the technology to be envisaged. Under PPP (public-private partnership) based BOO (Build own operate) model, we see a big opportunity for Infrastructure providers like us to create a robust and scalable Information and communications technology (ICT) (telecom connectivity) layer on a shared basis.

On the operational front, we will continue to focus on maintaining rigorous uptime as hygiene for our customers and explore if we can find synergies in doing managed services for the complete site. We have already started doing managed services for USOF (United Service Obligation Fund) project on behalf of Bharti Airtel in North East States and Assam circles. We will also focus on diesel consumption reduction through Green Towers P7 and Zero Emission Network (ZEN) to stay close to our vision of Environment Friendliness. As of March 31, 2019, we have managed to turn ~39% of the sites into 'Green Sites' on a standalone basis. Moreover, in the last quarter of FY19, we also have achieved ~80% reduction of diesel consumed per kW since 2010.

During the year, the National Digital Communications Policy (NDCP) 2018 has been notified by the Department of Telecommunications (DoT). The policy is considered to be a forward-looking one, providing a roadmap for the next wave of growth for the entire sector.

Industry bodies also appreciated our achievements outlined above through various awards – Best Smart Infrastructure Development for Bhopal Smart City, Dun & Bradstreet Infra Awards 2018 for telecom infrastructure development and Golden Peacock Award for CSR. These awards are a testimony to the strong brand value of Bharti Infratel and collaborative efforts put in by all our employees at different levels.

All this wouldn't be possible without people focus and process excellence as foundations. These are instrumental in achieving excellence across the various facets of the business. We are investing in our people to ensure they are more customer-centric and goal oriented in their day-to-day tasks. We are also proud to report that we have managed to place 18 diversity candidates in the frontline workforce this year.

We take this opportunity to express our appreciation to all our shareholders, customers, partners and employees for their continued enthusiasm, trust and support. As we move ahead to merge with Indus and operators picking up rollouts, the times ahead are full of opportunities. Together, we are confident to be a major beneficiary of the opportunities coming our way and will continue to surpass the benchmarks set by us.

Warm Regards,

DSRawat

D S Rawat

Managing Director and Chief Executive Officer

Profile of Board of Directors

Akhil Gupta

M3

C4

Akhil is the **Vice Chairman of Bharti Group** and **Executive Chairman of Bharti Infratel Limited**. He has played a pivotal role in Bharti's phenomenal growth right since inception and has been closely involved from the very beginning in the growth of Bharti in the telecommunication services sector – both organically and by way of various acquisitions.

He has led the formation of various partnerships for Bharti with leading international operators like British Telecom, Telecom Italia, Singapore Telecom and Vodafone in addition to induction of leading financial investors like Warburg Pincus, Temasek, KKR, Qatar Foundation Endowment, AIF and Sequoia among many other Private Equity funds. He has also been instrumental in raising several billion dollars by way of project finance for the Group over the years from global banks & bond markets.

He has conceptualized and implemented the transformational initiatives that include the outsourcing deals undertaken by the group in the areas of Information Technology (IT) with IBM, Network Management and has also been responsible for the separation of passive mobile infrastructure and forming Indus Towers - a Joint Venture with Vodafone and Idea, which is amongst the largest tower companies in the world and is a unique example of collaborating at the backend while competing at the front end. With innovative thought leadership, he has helped Bharti Airtel in becoming the lowest cost producer of minutes worldwide while ensuring that it provides good margin despite the lowest tariffs in the world.

In June 2010, he was instrumental in executing the acquisition of Zain Group's mobile operations in 15 countries across Africa for an enterprise valuation of over USD 10 billion which is the second largest outbound deal by an Indian company.

He has also spearheaded the successful public listings of both Bharti Airtel (2002) and Bharti Infratel (2012) and has been instrumental in introducing global benchmarks like full quarterly audits and transparent quarterly reports to provide all relevant information to investors & stakeholders. Consequently, Bharti Airtel and Bharti Infratel have been constantly awarded highest ratings for Corporate Governance and are acknowledged globally for highest standards of ethics.

He is currently the Chairman of TAIPA (Tower and Infrastructure Providers Association) and President of TSSC (Telecom Sector Skill Council).
He represents the Indian Telecom Industry and Bharti regularly at various forums and important seminars in India and abroad.

He is a Chartered Accountant by qualification with over 30 years of professional experience. He has also done an "Advanced Management Program" at the Harvard Business School in the year 2002.

He is the recipient of numerous awards which include Voice&Data 'Lifetime Contribution Award 2018', "EY Entrepreneur of the Year Award 2017" as an Entrepreneur CEO, CA Lifetime Achievement Award by ICAI, Lifetime Achievement Award by Amity University, "CEO of the Year" award at National Telecom Awards, "CA Business Achiever" award, "Asia Corporate Dealmaker" award at the Asia Pacific M&A Atlas Awards, "Best CFO" awards in multiple categories at CNBC – TV18 and induction to "Hall of Fame" by CFO India.

Anita Kapur

Anita Kapur, who joined the Indian Revenue Service (IRS) in 1978, held the position of Chairperson, Central Board of Direct Taxes (CBDT) during 2014-15. As Chairperson and earlier as Member CBDT (2012-14), and post retirement as Adviser in the Ministry of Finance (2015-16), she had the leadership role in formulating significant taxpayer friendly administrative measures and policy reforms to simplify tax laws, apply technology to enable tax assessments in an E- environment, reduce litigation, facilitate compliance, counter tax evasion and collect taxes fairly.

She had secondment stints with the Foreign Tax and Tax Research (FT&TR) Division and the Tax Policy & Legislation (TPL) Division of the Ministry of Finance; the capital market regulator of India i.e. SEBI; and the Banking Division (currently known as Department of Financial Services) of the Ministry of Finance.

She was a Director on the Boards of Delhi Stock Exchange, Jaipur Stock Exchange, Kanpur Stock Exchange and Ludhiana Stock Exchange as nominee of SEBI. She was Government of India nominee on the Boards of Directors of Andhra Bank, Oriental Bank of Commerce, State Bank of Hyderabad, State Bank of Bikaner and Jaipur, Punjab and Sind Bank and Institute of Chartered Accountants of India. In her personal capacity as a Tax Expert, she was made a Member of the UN Committee of Experts on International Cooperation in Tax Matters (2009-2013), and then was elected as Vice Chairperson of this Committee twice, covering the entire term of her membership, in recognition of her proficiency in International Tax matters.

Her last assignment with the Government was as a Member of the Competition Appellate Tribunal (COMPAT) during 2016-2017.

Board Committees

C Chairman **M** Member

1 Audit & Risk Management Committee

2 HR, Nomination and Remuneration Committee

3 Stakeholders' Relationship Committee

4 Committee of Directors

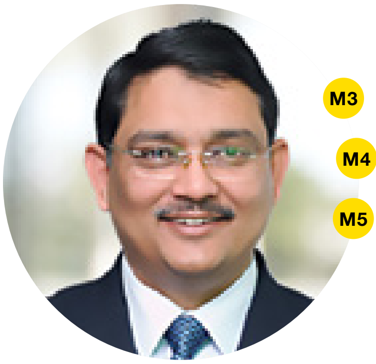
5 Corporate Social Responsibility Committee

Profile of Board of Directors

Bharat Sumant Raut

Bharat Sumant Raut is an Independent and Non-Executive Director of the Company and Chairman of the Audit and Risk Management Committee. He holds bachelor's degrees in law and commerce from the University of Bombay. He is a Chartered Accountant and a fellow member of ICAI. He was associated with Sharp and Tannan, Chartered Accountants as a partner, with Price Waterhouse, Chartered Accountants as a partner and with B S R & Co. LLP, (originally Bharat S Raut & Co.), Chartered Accountants and BSR & Associates LLP (originally BSR & Associates), Chartered Accountants, as their founding partner. Since 2006, he is a member of the Bar Council of Maharashtra & Goa, and has been practising as an advocate. He serves as an Independent and Non-Executive Director on the Board of various public companies and as Chairman and member of various Board Committees. He is also a Director on the Boards of private companies.

D S Rawat



D S Rawat is the Managing Director and CEO of the Company. He is part of the Company since 2010. He is also a member of the Executive Council Committee of Tower and Infrastructure Providers Association (TAIPA) and the Northern Regional Council of Confederation of Indian Industry (CII). He is an engineering graduate in Electronics & Communications. He had spent his initial years of professional life as an officer with the Indian Air Force. He has also done an Advanced Management Programme at the Wharton, University of Pennsylvania. He holds over 25 years of Telecom in-depth experience in handling P&L, technology, rollouts and regulatory interfaces - both from operator and supplier perspective. Previously, he has worked with leading telecom companies like Ericsson and Huawei.

Jitender Balakrishnan

Jitender Balakrishnan is an Independent and Non-Executive Director of the Company. He holds a bachelor's degree in Mechanical Engineering from the University of Madras and a Post-Graduate Diploma in Industrial Management from the University of Bombay. He has experience in the financial sector with IDBI Bank Ltd, where he was the Deputy Managing Director and Group Head, Corporate Banking, and thereafter, as an Advisor to the said Bank. He has served as an Advisor to IDFC Bank Ltd and various Corporates, besides serving as an Independent Director on the Boards of various Public companies including Listed companies and Chairman/ Member of various Committees of these Boards.

Leena Srivastava

Dr. Leena Srivastava is the Vice Chancellor of the TERI School of Advanced Studies, New Delhi – an inter-disciplinary higher education institution, focussed on sustainable development. She is a member of various committees and boards both at the international and national levels, including the Advisory Board to the President of ADB on climate change and sustainable development; Co- Chair, Science Advisory Group, UN Secretary Generals 2019 Climate Action Summit; Co-Chair, Future Earth Advisory Committee; Member, Sustainable Development Advisory Board, Caterpillar Inc. USA; the Advisory Board of Cairn Energy, Vedanta Resources and Consocia Advisory, India and on the Board of Shree Cement Limited. Dr Srivastava has several publications to her credit. She has a Masters in Economics from the University of Hyderabad and a Ph.D in Energy Economics from the Indian Institute of Science, Bangalore, India.

N Kumar

N Kumar is an Independent and Non-Executive Director of the Company and is the Chairman of HR, Nomination and Remuneration Committee and Corporate Social Responsibility (CSR) Committee.

N Kumar is an Electronics Engineering Graduate from Anna University, Chennai and a fellow member of the Indian National Academy of Engineering. He is also a fellow life member of The Institution of Electronics and Telecommunication Engineers and The Institute of Electrical and Electronics Engineers, Inc., New York (IEEE).

He is the Vice Chairman of The Sanmar Group, Chennai and is the Honorary Consul General of Greece in Chennai. He is on the Board of various public companies and has over four decades of experience in the spheres of Electronics, Telecommunications, Chemicals, Engineering, Technology, Education, Management and Finance.

N Kumar has served as a President at the Confederation of Indian Industry and is also the President of the Indo-Japan Chamber of Commerce & Industry. He is the Chairman of Madhuram Narayanan Centre for Exceptional Children and Managing Trustee of The Indian Education Trust, which runs two schools.

Board Committees

C Chairman   **M** Member

1. Audit & Risk Management Committee
2. HR, Nomination and Remuneration Committee
3. Stakeholders' Relationship Committee
4. Committee of Directors
5. Corporate Social Responsibility Committee

Profile of Board of Directors

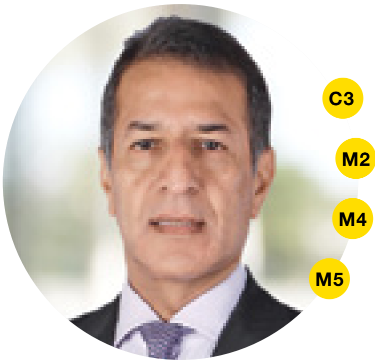
Prakul Kaushiva

Prakul Kaushiva is a Senior Principal in the Private Equity Asia team at Canada Pension Plan Investment Board (CPPIB) based in Hong Kong, focusing on direct investments in the Asia Pacific region, and leads the team's coverage for India. Prakul has been with CPPIB since 2012 and has also worked in the Infrastructure team in London. He has been an Alternate Director at Arqiva, the largest independent tower company in the UK where CPPIB is the largest shareholder and an observer at Atria Convergence Technologies, a broadband infrastructure company in India where CPPIB is invested in the buyout consortium.

Prior to joining CPPIB, Prakul worked at Goldman Sachs in London in the Investment Banking Division in the Telecom, Media and Technology M&A advisory and execution group, and subsequently in the Securities Division. He has also worked at General Electric, in the USA and India.

Prakul holds an MBA from the Indian Institute of Management in Ahmedabad, and a Bachelor of Technology in Mechanical Engineering from the Indian Institute of Technology in Delhi.

Rajan Bharti Mittal



Rajan Bharti Mittal is the Vice-Chairman of Bharti Enterprises, one of India's leading conglomerates with diversified interests in telecom, insurance, real estate, agri and food in addition to other ventures. Bharti has joint ventures with several global leaders: Singtel, AXA, Del Monte, SoftBank and Brightstar.

Bharti Airtel, the flagship company of Bharti Enterprises, is among the world's largest telecommunications companies offering mobile, fixed broadband and digital TV solutions to over 400 million customers in 18 countries across India, South Asia and Africa.

Born in 1960, Rajan joined Bharti Enterprises after graduating from Punjab University. An alumnus of Harvard Business School, he is actively involved in overseeing the activities of the Group at the corporate level. With his rich experience in the marketing function, he is also involved in many of the new business ventures of the Group.

Rajan serves as a member of several industry associations and policymaking bodies. He is currently on the Board of Trustees of Brookings Institution, the world's oldest and most prestigious think tank and a member of the President's Council on International Activities (PCIA), Yale University. He is also a member of the India-French CEO Forum and India-Singapore CEO Forum.

In 2013, he was the President of ICC (International Chamber of Commerce) India. He was also the President of FICCI (Federation of Indian Chambers of Commerce and Industry) for the year 2010 - 2011 and is currently a Member of its Executive & Steering Committees. Rajan has also served as the President of Association of Basic Telecom Operators (now known as Association of Unified Telecom Service Providers of India - AUSPI) for 1999-2000.

Rajan has been honored with the "Indian Business Leader of the Year Award 2011" by Horasis, The Global Visions Community and has also been awarded the "Leonardo International Prize 2012" by Comitato Leonardo, the Italian Quality Committee.

R P Singh

R P Singh is an Independent and Non-Executive Director of the Company. He holds a master's degree in mathematics from Advanced Centre for Pure Mathematics, Punjab University, Chandigarh. He taught pure mathematics & statistics to graduate classes, before he joined the Indian Administrative Service.

He has wide experience in regulatory areas of finance, industry, urban development and infrastructure. He worked both as Commissioner of Hyderabad Municipal Corporation & Vice Chairman of Hyderabad Urban Development Authority. R P Singh was also Managing Director of Andhra Pradesh Industrial Development Corporation and Commissioner of Taxation in Andhra Pradesh. He was posted to Punjab & Sind Bank as Chairman in March, 2005 to September, 2009.

He retired as Secretary to Government of India in the Department of Industrial Policy & Promotions and post retirement was appointed by the Government of India as Chairman of National Highways Authority of India (NHAI). At present, he is also holding the directorship with Maruti Suzuki India Limited, Lodha Developers Ltd. and IRB Infrastructure Pvt. Ltd.

Tao Yih Arthur Lang

Arthur Lang, 46, joined Singtel on January 9, 2017 as Chief Executive Officer, International (Designate) and became Chief Executive Officer, International on April 1, 2017. His main responsibilities are to oversee the growth of the Group's regional associates across India, Indonesia, the Philippines and Thailand, strengthen its relationship with overseas partners, and drive regional initiatives, such as the regional payments platform and gaming business, for scale and synergies.

Prior to joining Singtel, Arthur was Group Chief Financial Officer of CapitaLand Limited, where he directly oversaw the functions of treasury, financial reporting and controls, risk management, strategic projects, tax, investor relations and private equity fund management. As Group CFO of CapitaLand, Arthur received the Best CFO of the Year Award for listed companies with market capitalisation of $1 billion and above at the Singapore Corporate Awards 2015.

Prior to CapitaLand, Arthur was at Morgan Stanley where he was co-head of the Southeast Asia investment banking division and prior to that, Chief Operating Officer of the Asia Pacific investment banking division.

Arthur is also a board member of Globe Telecom, NetLink NBN Trust, the Land Transport Authority of Singapore, the National Kidney Foundation and the Straits Times Pocket Money Fund.

Arthur holds an MBA from Harvard Business School and a Bachelor of Arts in Economics (magna cum laude) from Harvard University.

Board Committees

C Chairman M Member

1. Audit & Risk Management Committee
2. HR, Nomination and Remuneration Committee
3. Stakeholders' Relationship Committee
4. Committee of Directors
5. Corporate Social Responsibility Committee

Our Business and Value Creation Model

Financial Capital

Continuous revenue growth with strong margins and sustainable model for growing profitability

Intellectual Capital

Offering clients the best of services through innovative solutions

Human Capital

Continued investments in our people strengths to achieve operational excellence

Manufactured Capital

Prudently managing our capital investments to create a portfolio of assets that helps create value for our clients

Social & Relationship Capital

Build an enduring relationship with customers, communities, suppliers and government authorities

Natural Capital

Strive to ensure that we conduct our business to leave a positive impact on the environment

Inputs

- Capex – ₹**9,037 Mn**
- Opex – ₹**36,537 Mn**

- Average experience of Board members – **35+ years**
- Average experience of leadership team – **20+ years**
- State of the art technology at our Tower Operating Centre (TOC)
- Robust systems and processes

- On-roll employees – **1,235**
- Spent on training and development – **₹32 Mn**
- Employee benefit expense – **₹2,915 Mn**

- Total Tower base – **40,388**
- Co-locations – **76,341**
- No. of offices – **89**

- Number of shareholders – **34,789**
- Supplier Base – **1,100+**
- Presence in states across India – **18**
- Charity and donation – **₹545 Mn**
- Catering to all the telecom operators in India

- Spend on energy conservation equipment – **₹99 Mn**

Business process

Identification of site

Based on customer's request, optimum location is identified. Site identification is a critical process ensured by the acquisition team to warrant continual expansion of our portfolio of assets for long term sustainability.

Deployment of site

Once a location is identified, we lease the land from the owner and deploy tower infrastructure.

Infrastructure sharing

The established tower infrastructure is rented out to wireless tenants under long-term agreements (known as Master Service Agreements [MSA]) for a specified fee. The tenants own and operate the active equipment like, Antenna, BTS at site.

Sustainable revenue model

The co-locations are tenured for a period of more than seven years with exit penalties, helping us build recurring revenue streams.

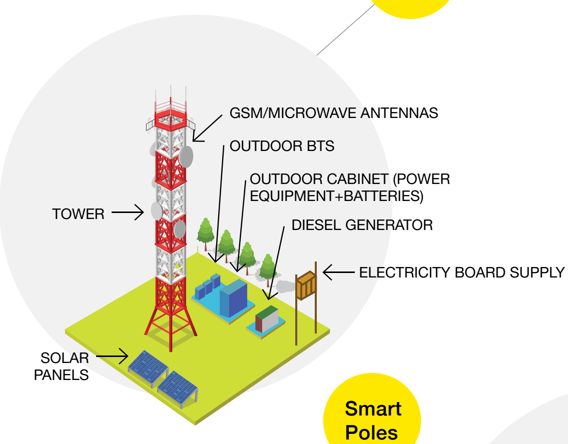
Margin accretive

New tenants added at sites come at a marginal additional operating cost against one time fixed cost that adds to the bottom line, resulting in higher profitability margins and wealth creation for stakeholders.

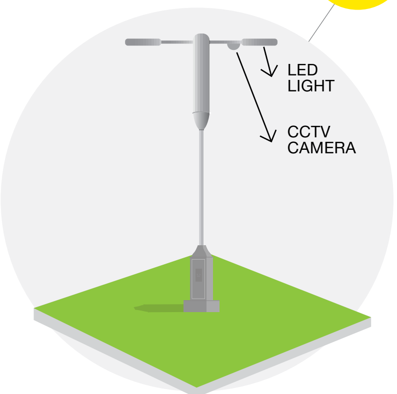
Business strategy

- **Promote tower sharing**
- **Achieving cost efficiencies across tower portfolios**
- **Organic growth and acquisition opportunities**
- **Increasing revenue and capital productivity**
- **Capitalize on opportunities of data growth, Digital India, Smart Cities initiatives of Government**

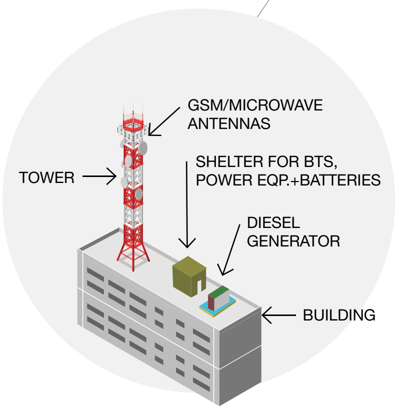
Ground base tower



Smart Poles



Roof-top tower



Output

- Revenue* – **₹68,217 Mn**
- EBITDA* – **₹31,680 Mn**
- PAT – **₹27,790 Mn**
- Operating free cash flow – **₹22,432 Mn**

- New initiatives rolled out over last three years – **47**

  Structural solutions – **8** | Energy solutions – **39**

- Tower Operations Centre (TOC) conduct robotic calls to prevent site outages due to infra reasons – **~50,000 Robo Calls/ Day 10,000 Outage Incident/Month**
- **ISO 27001:2013**, **ISO 22301:2012** and **ISO 9001:2015** certifications

---

- Attrition rate – **10.52%**
- Man days of training – **2,029**
- Internal succession rate – **72.22%**
- Diversity (gender and PWD) – **10.30%**

- Market presence – **11 circles**
- Uptime – **99.95%**
- Cost efficiencies to telecom operators

- Lives impacted through CSR – **350,000+**
- Contribution to Exchequer – **₹26,579 Mn**
- Partner satisfaction score (overall experience at Bharti Infratel) – **4.49**
- Dividend – **₹15 per share**
- Customer satisfaction score – **4.88**

- Solar sites – **2,500+**
- Green sites – **15,226**

Note:
All the figures in this section are on standalone basis
*Excluding other income

Risk Management

External Risk

	01	02	03	04
Nature	Failure to comply with environment regulation and reduction in environmental footprints	Unable to comply with changing rules and regulations affecting Indian telecom market	Infrastructure damage from contingent occurrence of natural disasters and other external factors	Uncertainty in macro-economic environment may have adverse effects on the business operations
Key impacts	• Adverse effect to people and environment • Loss of clients' confidence	• Restricts our ability to operate our business • Delay, prevent or increase the cost of our operations limiting our ability to respond to growing demand	• Affects long-term operational viability and sustainability • Loss of revenue and profitability	• Reduction in revenue and profitability • Slowdown in business
Inherent risk				
Mitigation actions and maximising opportunities	• At Infratel, we have implemented innovative alternative solutions at our existing sites to reduce the environmental footprints • We regularly monitor our carbon emission and greenhouse gas emissions and implement strategies to reduce the same • Installed solar and wind energy based towers in our portfolio	• We have registered with DoT under IP-I category and are actively working with states for implementation of RoW rules ensuring greater transparency, standard charges, time bound single window clearances • We are members of several industry forums and associations, including CII, TAIPA and FICCI • We continue to manage this risk through ongoing engagement with relevant stakeholders to ensure we keep abreast of regulatory and statutory changes	• We have insured all our towers, equivalent to the replacement value of existing towers • Continuous investments made towards business continuity plans and disaster recovery initiatives, ensuring seamless operation and value creation for our customers	• To address dynamic issues and changes in regulatory policy such as ease of doing business, removal of barriers for faster RoW approvals, digital communication infrastructure for new technology frameworks like 5G and IoT – we look forward towards such opportunities and restructure our operations • We foster an organization that rapidly adopts to changes in the environment and always staying ahead of the industry curve
Impact of the risk in the current year				
Capitals Affected	Natural capital Social and relationship capital Manufactured Capital	Social and relationship capital Financial Capital	Manufactured Capital Financial Capital Social and relationship capital	Social and relationship capital Financial Capital

Internal Risk

	01	02	03	04
Nature	Improper implementation of strategic decisions may have adverse effect	Unable to adapt to changing technology	Risk of not meeting cash requirements leading to financial instability	Unethical practices or lack of transparency in operations
Key impacts	• Hamper the long-term sustainability • Loss of key customers • Loss of market share to competitors	• Loss of key customers • Loss of competitive edge • Financial loss	• Unable to execute growth strategy • Reputation damage • Failure to achieve financial targets	• Loss of confidence of Investors, shareholders and other stakeholders
Inherent risk				
Mitigation actions and maximising opportunities	• Our successful implementation of strategic decisions, including merger with Indus towers and diversifying our revenue streams, validates our competencies of implementing strategies • Our consolidation impact has been lower compared to our competitors, due to our rollout for strategy to leading operators	• We continuously invest in new technologies to give us a competitive edger over our competitors • We adopt and use the latest ready-for-deployment technology to improve the productivity and quality of the services • Our operations are uninterrupted due to our robust state-of-the-art Tower Operations Center, integrated IT systems and best-in-class facilities	• Proper mapping of cash activities, enabling us to maintain healthy balance sheet • Strong working capital management ensure we meet our regular operating financial needs	• Sound Corporate governance policy • Experienced and ethical leadership team • Risk assessment and management undertaken by Audit and Risk Committee at every level to detect and mitigate any risks that might hinder our operations
Impact of the risk in the current year				
Capital Affected	Financial Capital	Manufactured Capital Financial capital	Financial Capital	Social and Relationship Capital

Low | Moderate | High | Extreme | Risk remained constant | Risk increased

Integrated Strategy for Value Creation

Financial Capital

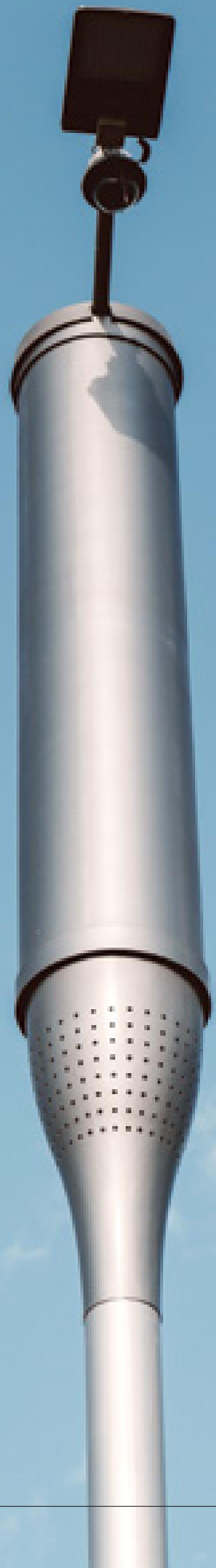
Intellectual Capital

Human Capital

Manufactured Capital

Social & Relationship Capital

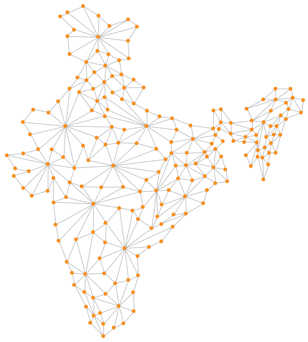
Natural Capital



A Smart Pole with Wi-Fi, LED lights, Camera and telecom connectivity

Financial Capital

The essence of Bharti Infratel's steadfast growth, fruitful expansion strategies and financial stability are indebted to its proficient and endowed financial capital. Our financial adeptness has been an empowering force in accomplishing our goal of providing superior results and emerging as the backbone of our market leadership.

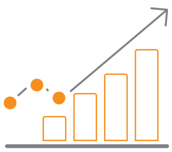


Our market leadership in India gives us stability and presents us with new opportunities to expand our business. Our ability to continuously deliver consistent profitability through volatile economic cycles enables us to pay dividends, grow our business, invest in newer technologies and organically generate capital.

Key performance indicators (Standalone basis)

Objective

Increase in revenue



Performance

₹ **68,217** Mn
Revenue (₹ in Mn)

15/16	55,583
16/17	60,847
17/18	66,180
18/19	68,217

Revenue from Operations increased by ~3% Y-o-Y however sharing revenue declined due to co-location exits driven by operator consolidation. This drop was offset with 4G led additional demand, annual increments in our long term contracts with clients and exit charges received due to churn in co-locations.

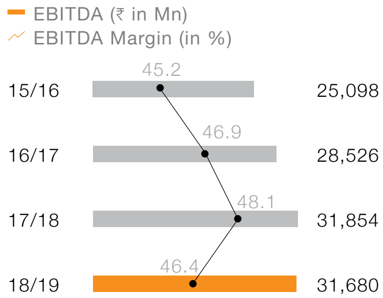
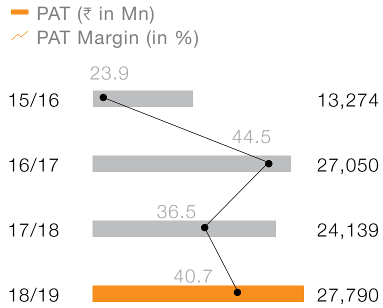
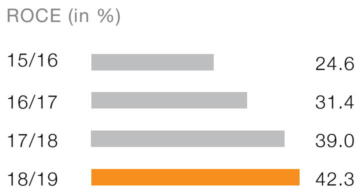
Increase in return on equity

15.5%
ROE (in %)

15/16	10.2
16/17	15.2
17/18	12.9
18/19	15.5

The healthy improvement in ROE was on account of improvement in profit after tax and dividend paid to the shareholders.

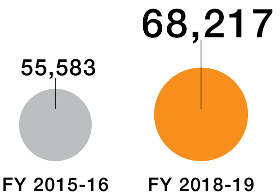
Financial Capital

Objective	Performance	
Decrease in EBITDA	₹ **31,680** Mn 	EBITDA declined marginally on a Y-on-Y basis due to lower sharing revenue driven by operator consolidation-led co-location churn
Increase in earnings	₹ **27,790** Mn 	Profit after tax improved on account of operational performance, higher finance income and dividend received during the year
Increase in return on capital employed	**42.3**% 	ROCE showed improvement due to efficiency in operations leading to increased operating profit and dividend payment.

Financial Highlights

Revenue Growth

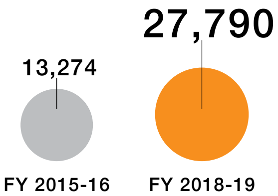
(₹ in Mn)



Recorded full year revenue of ₹68,217 Mn in FY 2018-19 from ₹55,583 Mn in FY 2015-16.

Net Profit Growth

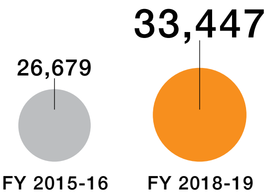
(₹ in Mn)



Recorded Net profit of ₹27,790 Mn with a margin of 40.7% as compared to ₹13,274 Mn with 23.9% margin in FY 2015-16

Dividend Paid

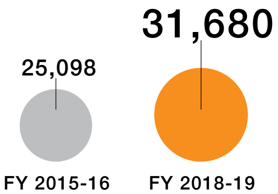
(₹ in Mn)



In FY 2015-16 the dividend paid was ₹3 per share (against FV ₹10 per share) whereas dividend for FY 2018-19 is ₹15 per share (FV ₹10 per share), representing growth from 30% of face value to 150% of the face value.

EBITDA Growth

(₹ in Mn)



Recorded ₹31,680 Mn EBITDA, reflecting 46.4% EBITDA margin as compared to ₹25,098 Mn with 45.2% margin in FY 2015-16

Cash Flow Analysis

Cash generated from Operating Activities

Cash generated from operating activities for the year ended March 31, 2019 was ₹20,423 Mn as against ₹24,709 Mn for the year ended March 31, 2018.

Cash generated from Investing Activities

The cash generated from investing activities stood at ₹27,179 Mn for the year ended March 31, 2019 as against ₹8,551 Mn for the year ended March 31, 2018. This was primarily due to dividend received from joint ventures, proceeds from sale of investments and assets. The surplus cash was utilized in developing new sites during the year.

Cash used in Financing Activities

Cash used in financing activities for the year ended March 31, 2019 was ₹47,962 Mn as against ₹35,562 Mn for the year ended March 31, 2018. This is primarily due to payment of cash dividend, including dividend distribution tax, amounting to ₹47,944 Mn

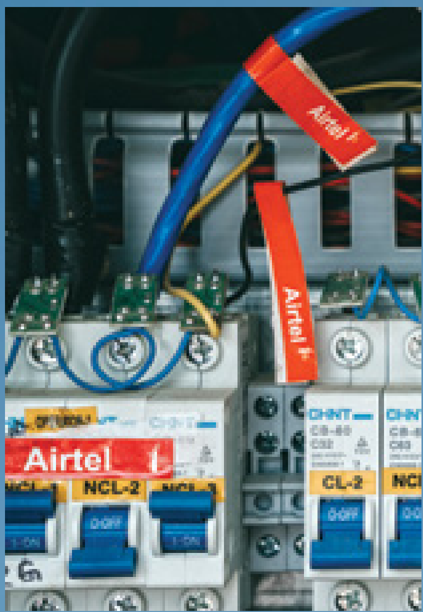
Financial capital is the pool of fund available with the Company in the form of debt and equity. It is a critical input in executing our business activities and in generating, accessing and deploying other forms of capital including manufactured capital, human capital, social and relationship capital.

Capitals Linked:

Manufactured Capital | Social and Relationship Capital | Natural Capital | Human Capital | Intellectual Capital

Manufactured Capital

With the mantra of delivering a better and bolder digital connectivity, Infratel is en route towards securing a telecom infrastructure that is future-ready. As the advent of 5G is near, we look forward to contributing to a dynamically digitized India via our improvised and sophisticated network infrastructure.



As one of the market leaders and pioneers of 'shared telecom' infrastructure in India, we continue to demonstrate the attractiveness of our business model, building partnerships and serving the demands for advanced telecommunications services

Conventional telecom tower Mandideep (near Bhopal)

Strengthening connectivity

The rise in the country's economic growth, population demographics, smartphone penetration and demand for improved mobile connectivity acts as a stimulus which further helps us to reinforce our market presence.

In our endeavour to partner with our telecom customers in providing critical mobile infrastructure, our holistic tower infrastructure model (from ownership, deployment and management) supports our customers with their network coverage plans.

The progressive reforms and initiatives undertaken by the Government of India (GoI) like Smart City and Digital India has a key underlying requirement of a common telecom infrastructure on which all the smart and connected elements can be connected on; hence covering a major percentage/ portion of the population under telecom connectivity.

Total Towers

Ground based

FY 2017-18	FY 2018-19
35,603	36,362

Roof top

FY 2017-18	FY 2018-19
3,920	4,026

* On a standalone basis

In recent years, the telecommunication industry has witnessed consolidation & exits of telecom operators. As a result, there has been a net co-location loss of 12,324 co-locations for FY 2018-19.Our impact, due to consolidation on the operators' side, is less compared to our competitors', due to our strategy of rolling out for the leading operators.

Total co-locations

76,341 < 88,665

As on March 31, 2019 | As on March 31, 2018

Average Sharing factor

1.91 < 2.26

As on March 31, 2019 | As on March 31,2018

Manufactured Capital

Smarter solutions for tomorrow

As one of the largest telecom infrastructure providers in India, we offer solutions that help to empower connectivity seamlessly. In the ever-changing urban landscape, there remains an increasing need to widen the reach of connectivity to the last mile.

In Building Solutions (IBS): Through our wholly owned subsidiary, Smartx Services Limited, Infratel has deployed IBS solutions to optimize the reach of telecom connectivity in closed environments, such as buildings, shopping malls, subways, airports and commercial centres.

Wi-Fi: In an ever-increasing digital environment, Infratel offers enterprises with Wi-Fi solutions through custom deployments. Overcoming public body clearances, network deployment logistics and distribution channel set-up, Infratel continues to expand its Wi-Fi and OFC network infrastructure at more locations.

Smart Cell: An innovating in-building and outdoor solution, Smart Cell can achieve high capacity, low total cost of ownership, pinpoint coverage and interoperability with major network providers. They would help to augment the next-generation of seamless telecom connectivity (5G) across the country.

Smart City: Digital India initiative and Smart Cities mission's success rests on a robust connectivity infrastructure, shared with all possible smart application of today and tomorrow. Under PPP (public-private partnership) for these projects, we see a big opportunity for infrastructure providers like us to create a robust and scalable ICT (telecom connectivity) layer on a shared basis. We are, undoubtedly, best positioned given our large footprint, strong balance sheet, relationship with leading operators and proven skills to manage distributed operations. We are able to provide the highest quality of services with long term contracts which are non-discriminatory in nature. As part of Smart City projects, we would be setting up telecom infrastructures like towers, microsites with fiberized backhaul and other connectivity needs of the smart city, resulting in 100% coverage for the city. Furthermore, we shall enable fibre connectivity for the homes and offices too by having fibre to the curb. Infratel-led Consortium is executing Bhopal Smart City project where Phase-1 of project implementation is almost complete. These projects are on Public Private Partnership (PPP) model wherein Government Authority is able to grant certain concessions to us and we are ready to deploy the necessary capital and operating expenditure to capitalize on city wide resources; thereby generating both social and economic returns to the society as well.

A night view of Smart Poles lighting up Bhopal

Key features of Bhopal Smart City project

- Smart pole has telecom tower infrastructure ready to accommodate upcoming technology as 4G and 5G
- Wi-Fi hotspot services for the city
- Surveillance cameras for safety and parking violation detection
- Environmental sensors to monitor air quality, temperature and humidity
- Electric Vehicle charging points to promote use of electric vehicles in the city
- Mobile based application with functionality of SoS
- Centralized Command and Control centre for monitoring the implementation of smart solutions.
- Optical fiber for better bandwidth to the Wi-Fi users/providing backhaul to telecom operators.

Infratel's contribution to Bhopal Smart City

Smart Poles installed

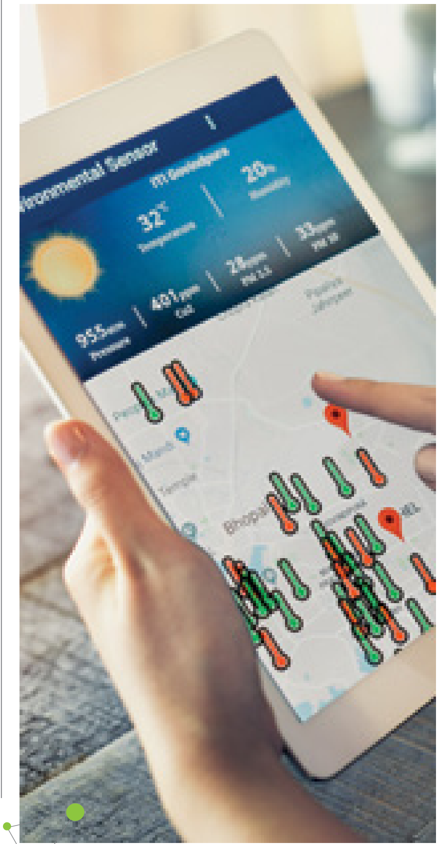
Installed Wi-Fi hotspots in Bhopal

Fiber roll-out across the city

Digitizing our field operations

We pioneered with an inbuilt mobile application that helped us to propel our network operations through a digital mode. The launch of Bharti Infratel Mobile Application (BIMA) is a step-forward in technology, enabling us to significantly improve the maintenance and control of our assets with real-time analysis.

As a step forward towards building a paperless entity, BIMA is a simple, fast and comprehensive easy-to-use application that has helped automate more than 90% of our operational process.



A snapshot of Bharti Infratel Mobile Application

Some of the activities digitized

- Diesel Management
- Preventive & Incident Management
- Asset Management & Verification
- Asset Maintenance
- Asset Movement from Site to WH & vice versa
- Quick Fault Rectification
- Health & Safety of Assets
- Training & Development

3.5 lacs +
Assets covered under digital supervision

1 lac +
Transactions logged

5 lacs +
Man-hours saved

4,500+
No. of Employees trained to use the application

15,000+
Training Hours in FY 2018-19

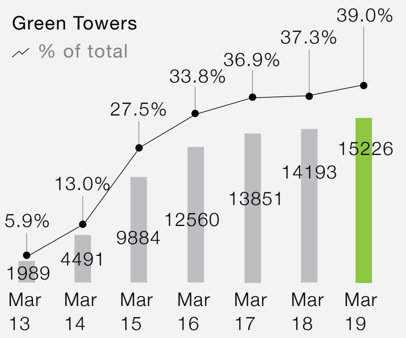
Manufactured Capital

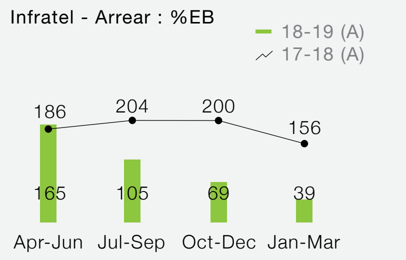
Towers for a sustainable tomorrow

In an endeavor to reduce our dependency on liquid fuels for 24x7 tower operations, at Infratel we have adapted sustainable and alternative energy solutions. This has not only helped us reduce carbon emissions but has controlled our operational costs as well. With Solar and Wind power as potential solutions, Infratel has stepped up to the need of building greener towers by penetrating in semi-urban and rural areas.

Benefits of green towers

- Reduction in energy cost
- Reduction in carbon emissions
- Reduction in diesel logistics costs
- Regulatory Compliance
- Increase in profitability and margins
- Reduced TAT helping reduce Late Payment Surcharges (LPSC)





62.5 %

Save in LPSC

2,500+

Number of wind & solar-energy based towers in portfolio

A story of attitude and altitude

With mountains dominating the place & average altitude of 3000 meters, extending from The Glacier Siachen in Karakoram range to The Great Himalayas, 'The Land of passes' Ladakh is one of the toughest terrains in the world. The principal access roads include the 434 km Srinagar-Leh highway which connects Leh with Srinagar and the 473 km Leh-Manali Highway which connects Manali with Leh. Both roads are open only on a seasonal basis. In winters, with the mercury falling below freezing points the place remains cut off from rest of the world.

At Infratel we persevered with a 'never say never' attitude, with our team overcoming challenges in deploying towers at sites at above 3000 ft. The team crossed the hurdles of site acquisition, material procurement, transportation and manpower to set up sites and widen the connectivity pathway and continue to deliver every day by giving the highest uptime.

95+

Sites in Leh region

99.97 %

Uptime in Leh region

Our continuous efforts towards providing high quality network in varied geographies along with state-of-the art technology has enabled us to gain customer loyalty and trust which in turn helps us to generate sustainable revenue. Investing in building and maintaining infrastructure requires significant financial capital and appropriate levels of human and intellectual capital. We also strive to reduce our impact on the environment through sustained investments in our tower infrastructure.

Capitals Linked:

Financial Capital

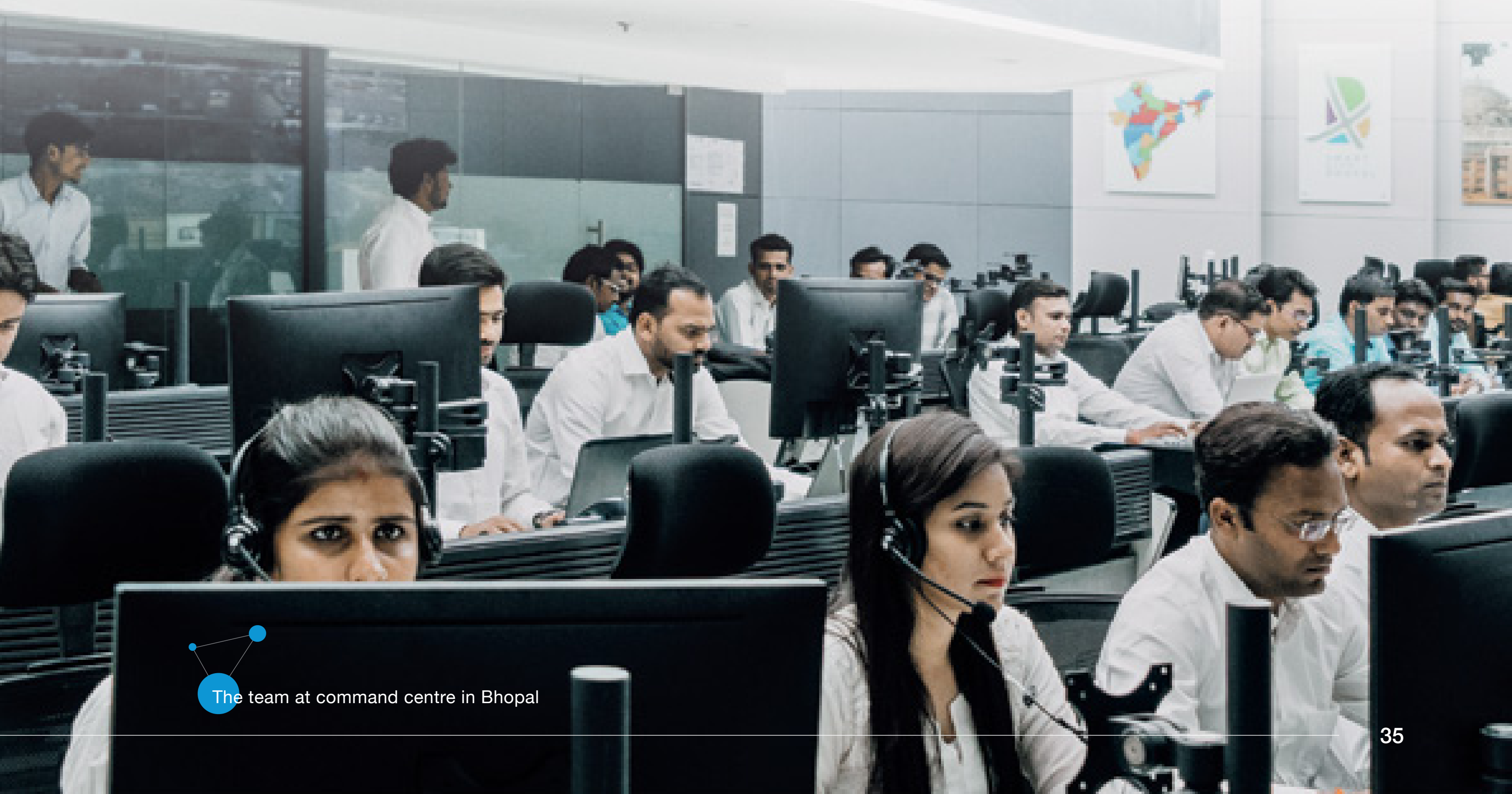
Human Capital

Natural Capital

Intellectual Capital

The intellectual capital at Infratel occupies paramount importance. The modus operandi, the actualization of set goals and targets, a better presence and above all, the smooth functioning of the organization, rests upon it. Forward thinking, utility oriented and powerful, Bharti Infratel's intellectual capital helps to bridge the gap between contingencies and realities.

Delivering latency of large-scale network has presented challenges for maintaining and improving the telecom connectivity. The evolving industry landscape calls for installing the next-generation infrastructure, and technology to enable customers with faster network roll-out and build a hyper-connected society. Right from email, social media through music and video streaming, mobile broadband has brought enormous convenience and has changed the lives of people through services provided, both by operators and third party players. At Infratel, our intellectual capital forms the foundation of driving the organization, identifying opportunities to further expand our business.

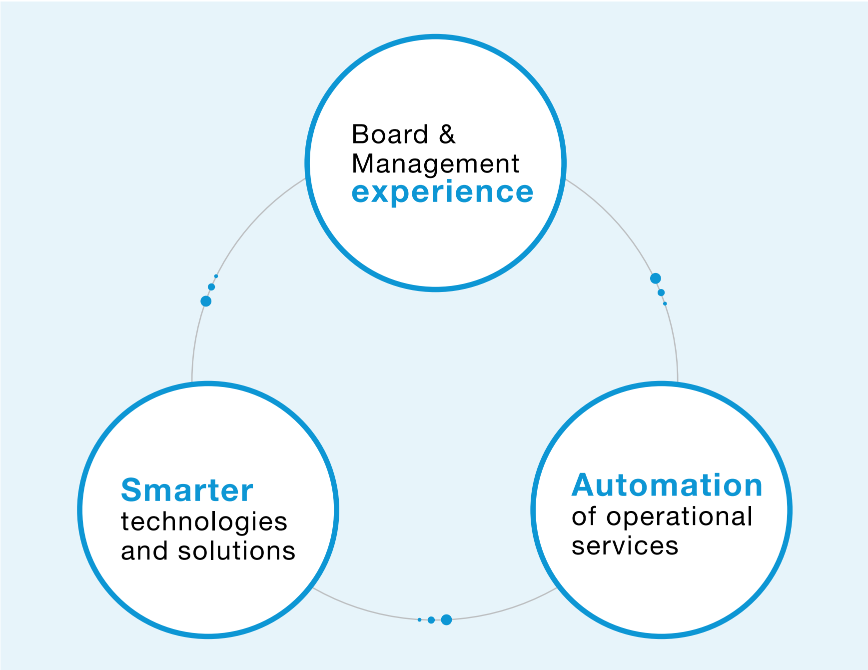


The team at command centre in Bhopal

Intellectual Capital

Intellectual Capital architecture

Capitalizing on the components of experience, smart solutions and automated operational services, our endeavor encompasses our strategic focus to leverage value-laden offerings.



Board and management experience

The Board's knowledge and diversity of experience are important assets in a market-leading company like Infratel, in a complex and fast-changing environment. The members of the Board and the management are composed and balanced with competencies required to execute strategic oversight and control of the organization.

20+ years

Average experience of top management

4.5 years

Average experience of employees gained while working with Bharti Infratel

35+ years

Average experience of Board members

Smarter technologies and solutions

In an era where 90% of mobile traffic is generated indoors with less than half as much subscribers being satisfied with indoor cellular connectivity; our innovative In building solutions address problems such as delivering capacity and coverage in a secure fashion, cutting Capex and Opex for the operator and bringing down the overall costs of mobile service for the enterprise.

We deliver one Network for All (multiple operators can share this infrastructure in a non-discriminatory manner). Our solutions have the capability to deliver mobility services, (2G/3G/LTE), WiFi and is future proof i.e. can evolve to future technologies e.g. 5G. This solution is as win-win situation for all especially when enterprises are increasingly willing to switch operator to get better coverage and support high quality voice and data.

During the year under review, we completed the Bhopal Smart City Development Project, successfully installing smart poles having multiple usage options viz. WiFi deployment across hotspots, Smart Controllable LED lights and a Command and Control Centre for real-time monitoring.

150

Total Smart Poles installed in Bhopal Smart City

200 kms

Fibre rollout in Bhopal

Command centre

Command centre established at Bhopal is one of its own with a capacity to manage and monitor 21000+ streetlights and 150 odd smart poles installed across the city's periphery. The backbone for the command centre is provided by fibre laid by Infratel connecting all poles and their installed ancillaries with the command centre. At the Central Operational and Command Room, a video wall is available, where the central management software's GUI helps in navigating through all solution components installed across the breadth of the city.

Different components enabled by command centre as below

- Streetlight management - 6 LoWPAN wireless mesh technology for individual and group control
- Digital advertisements on digital billboards
- Environmental sensors installed across the city
- Management of Wi-Fi AP's installed across the city
- Surveillance cameras view and storage for surveillance and other purposes.

Innovation- My Ideas

At Infratel, it's in our DNA to innovate new and effective solutions that enable us to improve our process and practices. Through our flagship programme, 'My idea' we generate ideas from stakeholders to foster in-house innovation. Various sources are made available to the employees which provide them a medium for sharing ideas via idea boxes which are installed across Bharti Infratel, including ZOM offices, designated emails and e-portals for easy accessibility. To promote this practice further, we acknowledge and reward the employees for their unique ideas.

Real time monitoring of multiple functions at Command Centre at Bhopal

Intellectual Capital

National Digital Communications Policy launched and ratified in 2018

Department of Telecommunications recently introduced a new regulation under "National Digital Communications Policy 2018" (NDCP - 2018) on September 26, 2018. This policy is indeed a bold step taken by the Government towards light touch licensing & simplified regulatory framework with focus on ease of doing business. The NDCP-2018 is a completely transformed policy vis-à-vis National Telecom Policy-2012, having very well-articulated vision and mission along with quantifiable targets covering all aspects of digital communications under three pillars of Connect-Propel-Secure India.

The NDCP-2018 envisions supporting India's transition to a digitally empowered economy and society by fulfilling the information and communications needs of citizens and enterprises by establishment of a ubiquitous, resilient and affordable digital communications infrastructure and services.

This progressive policy has a vision to transform India into a digitally empowered economy. The NDCP 2018 will have positive impact on IP-I companies in terms of increased fiberisation of telecom towers, mandatory installation of common telecom infrastructure and in-building solutions in various buildings, availability of government premises for telecom towers, streamlining Right of Way process of approvals, incentivizing clean energy usage and enhancement of scope of services for Infrastructure Provider from rollout & sharing of passive infrastructure to both passive and active infrastructure sharing with licensed Telecom Service Providers(TSPs), thereby paving the way for transforming Infrastructure Providers to NetCos With this transformation, we would be able to rollout new-shared solutions in terms of Small Cells, DAS, Antenna solutions for all TSPs, on non-discriminatory basis. We hope that the relevant stakeholders will adopt this policy proactively towards ease of doing business in the sector.

Key Strategies included in NDCP-2018 for building Digital Infrastructure & Service:

The strategies mentioned in NDCP 2018 reflect the necessity of making available reliable and resilient digital communication infrastructure. Some of these strategies to achieve the vision and mission of the policy document relevant for building Digital infrastructure & services are:

- Enable IP-1 registered entities to enhance their scope of services by inclusion of active infrastructure in addition to passive infrastructure.
- Accord the telecom infrastructure the status of critical and essential infrastructure, at par with the connectivity infrastructure, which will significantly boost the investments as well as enable low cost financing for development of communication infrastructure.
- Facilitate the establishment of mobile tower infrastructure by extending incentives and exemptions for the construction of towers and accelerate 'Right of Way Permissions' for telecom towers in government premises.
- Create collaborative and engaging process between Centre, States and Local Bodies, resulting in standardization of costs, timelines and removal of barriers to approvals.

- Implementation of 'Fibre First' Initiative by accrediting telecom optic fibre cables the status of public utility. Also promote collaborative models for provision of shared duct infrastructure in municipalities, rural areas and national highways and facilitating 'Fibre-to-the tower' program to enable fibrisation of atleast 60% telecom towers.
- Establishment of common service ducts and utility corridors in all new city and highway road projects.
- Incentivising the use of renewable and green energy technologies in the communication sector - utilisation of small cell fuel batteries, lithium-ion batteries to improve energy consumption efficiencies, promote research & development of green telecom and rationalisation of taxes & levies on manufacturing / production and import of such equipment.
- Generating awareness around EMF emissions based on international experiences and global best practices.

Advent of 5G

India, as a country, is gearing up for 5G services launch. India saw telecom mobility almost after 15 years it was launched worldwide; this dropped to 5-6 years for 3G and 3-4 years for 4G; now we are talking about almost parallel 5G launch with rest of the world.

The Government has made a clear vision for 5G in National Digital Communications Policy 2018, paving the way for rest of the stakeholders for 5G rollouts. It talks about enabling hi-speed internet, IoT and M2M with help of 5G technologies. The policy is progressive enough to address various 5G pertinent topics like ensuring spectrum availability in different bands (<1 GHz, 1-6 GHz and >6GHz) as per the use case, traffic prioritization for 5G applications and framework for M2M services deployment.

For tower companies, it means ultra-densification of sites to meet high speeds and low latency requirement of 5G deployments; resulting in opportunities for more micro-sites and small cells across the city. Furthermore, it will throw up opportunities for fibre sharing for backhaul to these high data sites. 5G would lay foundations for tower companies to evolve into NetCo as they would have to combine their portfolio to become a B2B service provider to the operator.

Server room at command centre

Intellectual Capital

Automation of operational services

At Bharti Infratel, technology, processes and value streams form a perfect synergy.

This not only warrants a thriving business culture but also enables us to offer a competitive edge across all business functions. We have a cutting edge data centre that not only hosts our applications in a secure environment but also comes with an operative Disaster Recovery Center. Our advanced security tools ensures that our networks and systems are guarded against information-security threats such as unauthorized access and hacking.

The Information technology (IT) core team at Infratel comprises of pre-eminent global consultants and system integrators armed with best in class practices, technology, and operations management solutions. Our initiatives in the field of IT continue to center on putting out solutions and services across varied emerging technologies from cloud and robotics, to process automation, business intelligence, and mobility.

The technical and managerial skills enables us to create value for customers, investors, government, and employees. Our ground breaking innovation in processes and operations enables us to efficiently use our resources and minimize costs and maximize profits.

Capitals Linked:

Financial Capital

Human Capital

Social and Relationship Capital

Natural Capital

With technological advancements on the rise, it becomes imperative to not just think about a comfortable today but also about a sustainable future. We believe in Bharti Group's philosophy of what is good for society is also good for the business. Hence, we endeavor to employ a sustainable business model which creates value by considering different stakeholders of society at large. At Bharti Infratel, natural capital is notably and significantly enhanced to reduce harmful impact on the environment, preserve natural resources and conceive a valuable and long-lasting natural environment.

At Bharti Infratel, we strongly believe in meeting today's need without compromising the interest of the next-generation. We are intensifying our efforts to counter the mounting challenges in climate change and greenhouse gases. We continue to work harder in identifying long-term risks and measures to mitigate the same.

We believe in providing innovative, efficient and environment-friendly solutions to our valued customers. We are reducing our environmental footprint on today's telecommunication ecosystem by strategically providing a shared model and having multiple telecom network providers as tenants on a single structure. To further reduce Bharti Infratel's environmental impact, we actively seek to minimize energy consumption in our infrastructure.

Solar energy enabled telecom tower at Sehore (near Bhopal)

Natural Capital

Energy Management

Our motive of energy management is not only to maintain industry-leading uptime at the site but also reduce our reliance on non-renewable energy. We track our energy consumption and source alternate modes of energy, which enables us to increase our operational efficiency and remain competitive in our industry landscape.

For Zero Emissions Network (ZEN), we had institutionalized a P7 program few years back with 7 initiatives across 3 pillars - 1. Use of Renewable sources of energy 2. Improving energy efficiency 3. Reduction of equipment load. Now these 7 initiatives have grown to 15 in number over years.

₹99 Mn

CAPEX invested in energy conservation equipment

• Use of Renewable source of energy

We have installed renewable energy sources (Solar and Wind) at 2500+ sites across our circles in the past 5 years. Our sites are equipped with solutions based on charge controller, solar inverters, and a combination of them, across our sites, enabling us to optimize the use of renewable energy and reduce our carbon footprints.

Today, we operate our solar network on a 2500+ tower with a capacity of 11 MW across all networks. As part of our endeavour to enhance the utilization of renewables we have deployed large Wind turbines as well as solar trees which enables us to deploy solar with smallest footprint.

With our unique Renewable Energy Service Company (RESCO) model of using renewable energy at 90+ sites, we ensure community development by providing surplus power in rural areas. Currently, over 13000 rural families are being supported through this model. We plan to further stimulate development of RESCO based partners in more states. Thus, we ensure not just reliable clean power for ourselves but are also contributing our bit towards the betterment of the community as a whole.

• Improving energy efficiency

We undertake various initiatives to improve our energy efficiency across our tower infrastructure equipment. We have adopted high efficiency Integrated Power Management Solutions (IPMS), Plug and Play Cabinets (PPC) to maximise utilisation of grid power supply on the towers. We have also adopted battery bank hybrid solution which enables us to run the DG set on optimum load and ensures efficient diesel consumption. We use Li-ion Batteries which are temperature independent, fast charging, high efficiency, high battery life and lower on environmental footprint.

• Reduction of equipment load

We have continuously focused on reducing our diesel consumption by removing ACs from our sites and have shifted our indoor sites to outdoor sites for natural air cooling, thereby leading us to reduce the CO2 emission. We have also introduced shareable micro cooling solutions and dual turbine unit based solutions. Our gamut of designed solutions includes Solar based natural Free cooling units, large sized micro cooling cabinets, HEX based micro cooling units Free Cooling Unit (FCU), Natural Cooling Unit (NCU).

80%

Outdoor sites

Waste Management

Bharti Infratel has put in significant efforts related to issues of proper waste disposal, and continuously monitors these activities through an efficient management process. With the given nature of our business, we generate on a daily basis, a massive amount of waste which is classified as hazardous (acid batteries) Non-hazardous (Iron waste, copper waste) and E-waste (ACs, rectifier module, power interface unit, power plan (smps). In order to reduce the impact associated with (use and disposal waste,) we have implemented the best practices and programmes for waste management.

Enhancing alternate energy portfolio

We continue to focus on reducing diesel consumption by replacing existing Diesel Generator solutions with alternative energy solutions such as gas based generators and methanol based fuel cells. These initiatives enable us to reduce our carbon emission and enhance our existing alternate energy portfolio.

Compliance and our environment responsibility

At Bharti Infratel, we treat the environmental compliance process as an integral part of responsible tower deployment and maintenance. We have a dedicated team of employees, with educational and operational expertise, who engage in activities related to environmental impact, streamline operations and promote sustainability. We have even established various training programmes across the organization to support environmental compliance and support our Environment Value. To improve our energy performance further, we conduct energy audits on a regular basis at all our sites.

Multiple Smart Poles installed at a highway near Bhopal

We require natural capital, such as land and energy, to deploy and operate our manufactured capital. Efficient use of natural resources enables the company to optimize its cost, increase efficiency and maintain our reputation as a responsible corporate.

Capitals Linked:

Financial Capital

Social and Relationship Capital

Manufactured Capital

Human Capital

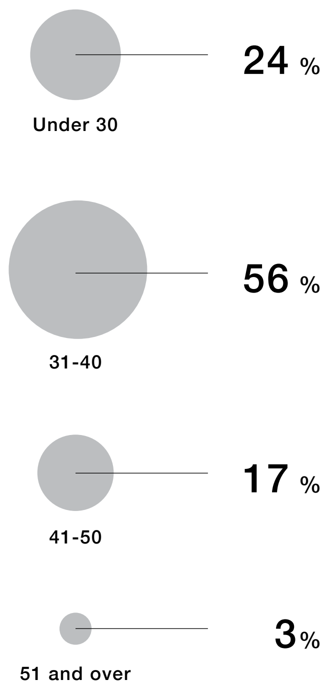
The biggest asset for Bharti Infratel is its enviable human capital. As we continue to take strides to implement new innovations and technologies in our business model, we gratefully recognize that the cutting edge comes from our human capital.

Bharti Infratel's employees are the driving force behind its sustainable performance. We continuously aim to sustain a culture of compliance and ethics throughout the organization, thereby promoting trust within the organisation and among the stakeholders as well.

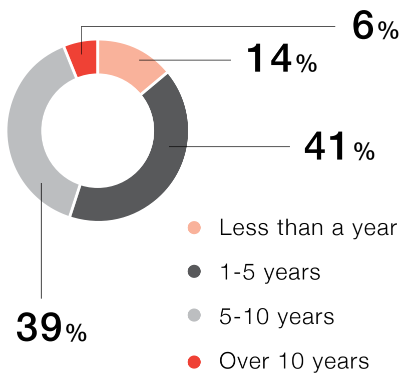
At Infratel, we take pride in hiring the best talent and support them with a safe and healthy work environment. We value our people and regard them to be our main competitive advantage, and ensure that we provide them with opportunities for growth and development.

A snapshot

By Age

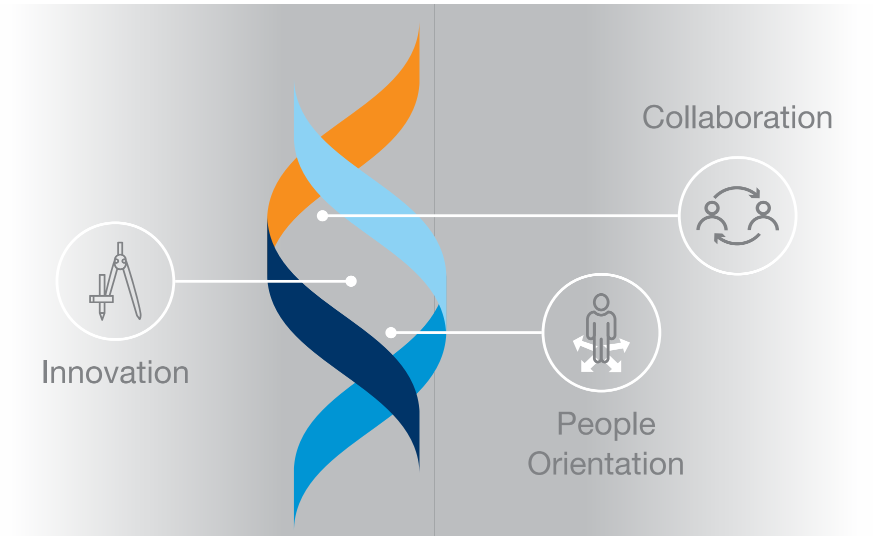


By Seniority



Embedding a culture of excellence

At Bharti Infratel, we believe that our people are one of our most valuable assets. We place great emphasis on developing their skills, promoting a diverse workforce and creating an environment for future leaders. From the outset of our journey, the focus has been on the impact we create on our people through crucial collaboration across all functions and sites.



10.3%

Diversity (gender and PWD) as a percentage of employees

18

No. of women as a part of on-field operations

12

No. of employees with disability

Diversity Management

In our endeavor to achieve sustainable growth, we believe it is important to build a vibrant workplace for our employees to embrace diversity and grow together. At Infratel we have launched a 'Diversity Mission 2020' plan to achieve 15% diversity in our total employee base by 2020. For this we have created an environment for our women employees to grow, perform and succeed. With our values embedded throughout the organization, we continue to invest, retain and attract women employees – both in our field-staff as well as non-field staff operations.

At Infratel we reinforce the ideology of diverse and engaged people as a part of our business success. As a part of our diversity commitment, we doubled the recruitment of specially-abled people on-board from previous year. As a part of our diversity and inclusion goal, we launched an awareness campaign titled #BeBoldForChange to empower our workforce with the benefits of diversity and inclusivity.

Human Capital

Building capabilities and fostering growth

An engaged and talented workforce forms the foundation for innovation, growth and performance at Bharti Infratel. With an objective to create a high performing culture, where our employees can achieve their potential, we provide several learning and development opportunities. In our endeavour to continue focus on addressing talent gaps and providing growth opportunities to our employees, we launched some initiatives in FY 2018-19.

Leadership Development Center: The learning and development opportunities are an integral part of upgrading talent, skill and knowledge of employees. At our Leadership Development Center, we continue to take a holistic approach towards talent needs and identify gaps, both - technical and soft skills. For instance, our mid-level leaders were assessed against the leadership success profile for migrating to future leadership roles. The identified capability gaps were bridged by a series of interventions planned over a period of six months as per the participant's IDP (Individual Development Plan). The hi-pots identified were further given exposure by leading business critical projects under the guidance of our leadership team.

Learning on-the-move: During the year Infratel has partnered with Lynda - LinkedIn Learning for world class training content which can be accessed from anywhere and anytime. This was a revolutionary step aligned with digitalization, as employee needs were fulfilled through multi-level skill development programmes - ranging from basic to expert level. With 100% activation rate of Linkedin Learning, employees have been completing the identified curated learning paths to fulfill individual capability gaps at their own pace. While new employees received training to familiarize them with our operations and processes, the existing employees were trained to enhance their efficiency levels by classroom interventions,

e-learning programs, coaching, external certifications, Management Development Programs from elite institutes like ISB, IIMs.

100%

Linkedin Learning licenses activated by employees.

100%

of the employees who had self nominated for developmental interventions were trained in FY 2018-19

100%

Mandatory e-learning compliance in FY 2018-19.

Rise Career Paths: Detailed career ladders and matrices was introduced to provide an extensive career understanding to employees for their future career paths. This was followed by roadshows across all locations to familiarise employees with relevant roles available and support them in their individual career planning. The managers and skip-levels also played a pivotal role in driving career and development conversations with the teams to enable them to 'take charge of their development and career'.

Internal succession: To further strengthen our internal talent pipeline for critical roles, we proactively conducted panel assessments for the probable successors to identify any possible capability gaps and ensure a robust succession pipeline.

72.22%

Internal succession rate

Rewards & Recognition

To recognize the efforts and hard work of the employees, at Infratel we have built a culture of rewarding and recognizing them for their efforts which has positively influenced the growth of the Company.

Health & Safety

The health, safety and well-being of employees is central to everything we do at Bharti Infratel. Our Safety Policy encompasses the best health and safety measures ensuring compliance with relevant rules and regulations. We impart adequate information and training in occupational health and safety, with timely communication.

The '5 Cardinal Rules' of safety, which are communicated to all existing as well new employees, define our 'Safety First' agenda. Some of the key initiatives we undertook during the year were:

Safe and Secure generator set at tower site

Human Capital

The underground functionality operations at Bhopal Smart Pole site

5 Cardinals Rules of Safety

1. Don't direct an untrained person to undertake a hazardous task.
2. Use proper personal protective equipment while performing hazardous tasks.
3. Always wear a seat belt while commuting in a 4-wheeler and a helmet while travelling on a 2-wheeer
4. Never drive under the influence of alcohol
5. Report all incidences without fail

Training through class room sessions and e-modules

- Mandatory Safety Training for New Joiners – Areas covered as per relevant job profiles are Road Safety, Site/Electrical Safety, and Working on Heights

100%
Compliance in training

- Refresher training for existing employees – In addition to the above areas, refresher training is done for Emergency Response Team, Warehouse resources, mock fire drill, etc

99.75%
Compliance in training

Discipline and Governance

- Monthly People Incident dashboard – Every incident pertaining to our employees, partners and at our sites is reported as per the procedures defined. This is then followed by a Flash report and RCA.
- Observance of Safety Governance check points that include holding of periodic safety meetings, discussion of the safety review checklist, incident reporting & analysis and sharing of Safety learning mails amongst others.

Employee Connect

We listen to our workforce and have put in place programmes that encourage high levels of engagement and commitment. We conduct several programmes that attract a healthy response of the employees who participate and are actively engaged. With our presence spread across 11 circles and 74 zones with an employee base of 1235 (on standalone basis). An engaging platform is imperative to keep our workforce motivated. Some of the key initiatives undertaken were:

- Employee Communication Forum (ECF) – These forums are held annually at national and circle locations. Usually in the first quarter of the financial year, the forum is addressed by MD & CEO supported by the Leadership Team. Head Office employees gather at designated venue and circle employees in office locations and connect virtually. The session includes progress on previous year results and achievements, strategic priorities for the current year, sharing of key initiatives, reward and recognition, and Q&A. A similar session is conducted at circle locations and anchored by the Circle Business Head.
- Townhall by MD & CEO - After every Quarterly Board Meeting, a Townhall is called for employees at the head office, wherein the management shares the overall results, highs and lows for the quarter and the next steps for the organisation.
- Sambandh - Birthday celebration of all our off-roll employees in the field (technicians) along with their family/ friends/colleagues anchored by their Reporting Managers across locations
- Sampark - Open house sessions in clusters for our off-roll employees to register and solve their queries and grievances. These are anchored by CHR supported by the Operations team
- Manthan - Zonal conclaves held in circle locations where zone teams present their progress on current deliveries, plans for remaining months, support needed along with zonal rewards & recognition. The target is to cover every zonal team at least twice in the year anchored by the Circle Operations Team.
- Pulse Check survey – An effective survey was launched this year, helping us identify the impact of our engagement programmes. Sample of impacted technicians were chosen to take feedback on simple questions pertaining to Sambandh, Sampark and Well Done (Off Roll Rewards). The results were as follows:

100%
of the technicians are aware about Sambandh & Sampark programmees

97.4%
of the respondents confirmed that their queries were resolved within a short span of time

Investing in our people, through training and development activities, is one of the most significant costs to our business. Increased productivity and well-being of our people will lead to a sustainable future and enable us to create value for all the stakeholders.

Capitals Linked:

Financial Capital
Intellectual Capital
Social and Relationship Capital
Manufactured Capital

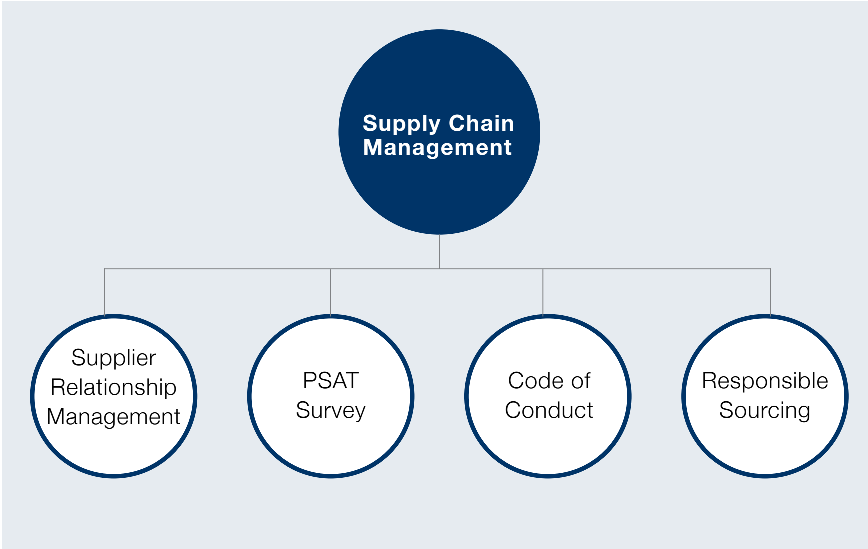
Social & Relationship Capital

Performance is the most definite key to success. Bharti Infratel has a proud history of prolific performances which has helped it create a niche for itself and win the trust of all the stakeholders. As we gear up to present a new transformative side of digital connectivity to India, we are confident that the core values of the Company will hold it in good stead.

Telecom Tower at Bhopal

Suppliers

Our strong partnerships enable value creation for the Company and our key stakeholders. We continue to forge strong partnerships with our existing partners as well new ones, to collaborate for a shared success. This helps us to generate maximum value with our partners through long-term and sustainable partnerships. We engage with our partners to cut down on carbon footprint, recycle, reuse and finally, facilitate the safe disposal of all hazardous equipment and elements. We also ensure that the entire value chain remains compliant to statutory & legal statutes like labor laws, child labor etc. These partnerships help to create value in quality, cost and innovation, enabling us to differentiate our offerings.



1100+
Number of Suppliers

77
Number of people in Supply chain team (on-roll)

Supplier Relationship Management

In a bid to have a systematic and easy access for coordination, collaboration and integration among suppliers, the SRM module includes regular governance with partner at various levels, strategic sourcing, IoT for partners and conducting different surveys. Some of the key achievements include:

1. Improved number in participation of Partner Satisfaction Survey (P-SAT) Score
2. Supplier engagement program through regular Governances
3. Empowering partners to access Infratel portal through iSupplier Portal for smoother coordination and communication
4. Inducting the suppliers as a part of our ‘Safety First’ programme
5. Conducting an annual vendor/ partner meet

Partner Satisfaction Survey

Providing a central point for information exchange with better usability, our P-SAT survey improves the links between our procurement managers and suppliers. Enhanced collaboration and exchange through this survey has helped us to address current and future business challenges.

Truly Loyal - Partners have increased from

89% → **95%**

Procurement Process - Mean score has increased from

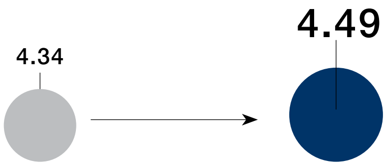
4.11 → **4.31**

Payment Process - Mean score increased from

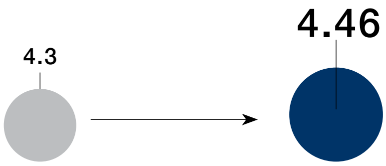
4.20 → **4.42**

Social & Relationship Capital

Overall Experience with Bharti Infratel - Mean score has improved from



Overall Experience with Bharti Infratel, SCM Deptt - Mean score has increased from



Code of Conduct

A dedicated and independent office of Ombudsperson functions at Bharti Infratel.

A well-designed and communicated policy for Code of conduct, Gift Policy and escalation matrix is periodically updated and acknowledged by all stakeholders in business, from employees to partners.

Responsible sourcing

At Infratel we have built our sourcing strategy beyond a conventional and traditional value supply chain, for being efficient in cost, quality and delivery time, maintaining integrated strategic objective of ethics, labour rights, safety and green procurement across the supply chain spread across geographies and regional clusters.

Partners are being monitored on a regular basis for adherence to policies laid down to ensure responsible sourcing, backed with mandatory annual certification for CoC. We also share feedback for improvements.

Our team also makes periodic visits to manufacturing facilities of partners and fields for ensuring compliance to Health and Safety policy and compliance to statutory norms.

>90%

On-time payment continues to be >90% on Y-o-Y basis

4.49

Partner Satisfaction Score

Regulators

With the advent of new technologies and technological advancements and availability of high speed data networks, the communication infrastructure is becoming a key enabler for the overall growth and well-being of the society. We at Bharti Infratel, are actively participating in India's transition journey towards a digitally empowered economy and society. We ensure the availability of reliable and resilient digital communication infrastructure and share the same with licensed telecom service providers on a non-discriminatory basis.

We remain committed to adhere to the highest ethical standards and corporate governance practices. We make sincere efforts to abide by various statutes and local laws applicable to the Company while

offering communications infrastructure and services. We ensure effective communication and collaboration with all our stakeholders – customers, partners, shareholders, employees, competitors, government agencies and communities in which we operate, to attain higher benchmarks in business excellence leading to greater contribution in the socio-economic development of the country.

At Bharti Infratel, we have kept pace with the evolving regulatory framework, ensuring compliance and transparency at all levels of our operations. Significant resources are committed towards our focus on public policy advocacy efforts. At the industry level, we continue to make immense contributions by participating in multiple industry forums and associations like Tower and Infrastructure Providers Association (TAIPA), Federation of Indian Chambers of Commerce and Industry (FICCI), Confederation of Indian Industry (CII) and Cellular Operator Association of India (COAI). We provide key inputs and actively participate in the consultation process of policy formation with various government authorities including Department of Telecommunications (DoT) and Telecom Regulatory Authority of India (TRAI).

The government policies and regulations towards eco-friendly measures, innovation and job creation are reshaping the business outlook. We have worked to ensure minimal disruption to environment and deliver maximum value to our customers and the society at large by adapting to the market dynamics.

As we widen our interest towards identifying newer business opportunities for further expansion in India, our team continues to strengthen their knowledge and capabilities in domains of telecommunication infrastructure. As a responsible Corporate Citizen, we undertake active participation in various government initiatives and programs like Swachh Bharat Abhiyaan, Digital India program and Smart City mission.

₹26,579 Mn

Contribution to Exchequer

Social & Relationship Capital

Investors

Our history of delivering with excellence is supported by our strong financial performance and ability to create value for our shareholders. Our track record of delivering our financial objectives on a timely basis and paying dividends to our shareholders on a year-on-year basis is a testimony of our value creation philosophy.

Along with delivering strong financial results, we strive towards maintaining good corporate governance and improve the level of transparency in communication. To further strengthen our relationship with shareholders, we proactively communicate our strategies and activities to them through various modes including investor presentations, annual reports and investor and analyst conference-calls.

Shareholder value creation history

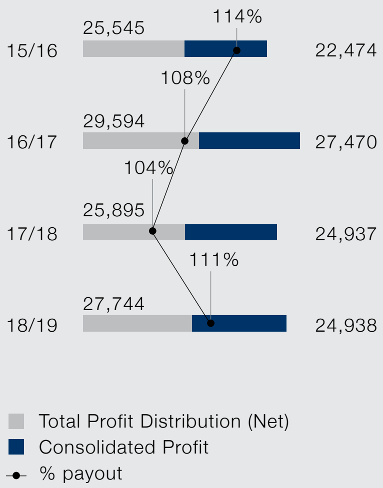
At Infratel, we believe investor engagement is one of the pillars to achieving the goal of long-term value creation. We have a proven track record of delivering with excellence which is supported by our strong financial performance and history of shareholder returns. Since listing on stock exchanges, the Company has endeavored to return excess cash to shareholders either through dividends, share buybacks or both. We continue to assess these and other opportunities to maximize shareholder returns.

We also continuously strive towards maintaining good corporate governance, improving our disclosures and communication such that it helps stakeholders understand our business model, business strategy and performance. We regularly interact with investors through conference calls, investor conferences, meetings, Investor/Analyst events, etc. to communicate our strategy, seek feedback and address queries. We also publish investor presentations regularly on our website along with quarterly/annual result disclosures, earnings call transcripts, media releases etc. to supplement the above activities.

During the year FY 2018-19, while sharing revenue and EBITDA (on a consolidated basis) declined 5% and 6% Y-o-Y respectively due co-location exits driven by operator consolidation, we were able to maintain profitability and the dividend payout improved from ₹25,895 Mn to ₹27,744 Mn or ₹14/share to ₹15/share.

With the backdrop of rise in responsible investing that aims to integrate environmental, social and governance (ESG) factors into investment processes and decision-making, we will continue to engage proactively with investors to achieve sustainable growth and long-term value creation.

Total Profit Distribution (net) (₹ in Mn)



₹15

Per share of interim dividend for FY 2018-19

₹15.02

EPS as on March 31, 2019

43.91%

Share of Foreign ownership in the equity (highest since 8.65% at the time of IPO)

One of the **highest** dividend yielding stock on Nifty 50 as on March 31, 2019

Customers

At Infratel we are driven by a culture of innovation to create differentiated solutions for our customers. With the leading telecom operators as our clients, our business model is vital to partner them in expanding their customer base.

Over the past few years, the telecommunication industry witnessed consolidation due to intense competition and pricing pressure.

In an evolving industry landscape where technology continues to drive the future, we continue to proactively develop new solutions for better consumer experiences.

Driving customer success

It is our commitment that drives us to develop a culture of quality and innovation at our 40,388 towers across 11 circles in India. Each day, our on-field and off-field teams adapt to meet the changing consumer expectations. We strive daily to attain lower downtimes and quicker solutions for unseen problems. In partnering with our customers, we continue to work on ways of improving our processes to address specific customer requirements. Some of these initiatives were:

1. Create infrastructure solutions that helps our telecom customers to plug the gap with their customer expectations

2. Ensure timely governance reviews (quarterly / monthly) with the team

3. Deliver excellence in service offerings to maintain a high uptime

Sustaining higher uptime

In a competitive telecom industry, operators are striving to strengthen their market share by offering attractive content and services to their end-users. At Infratel, our infrastructure and network sharing model, will help our telecom customers from the cost perspective and maximize potential efficiencies and synergies.

At Infratel we have been able to maintain our uptime at 99.95% in FY 2018-19. This has been achieved at the backdrop of a customer-focused approach, real-time monitoring and problem-solving and proactive intervention by the Command Centre.

99.95%

Uptime in FY 2018-19

4.88

Customer satisfaction score

Did you know?

The capital investments required in setting up a telecom infrastructure tower is significant, while the operating costs for maintaining and running the same is also of paramount importance.

While we at Infratel undertake the capex and operating costs for setting up telecom infrastructure towers, the telecom operators have the following benefits:

- Maximised revenues
- Savings on capital investments
- Lesser time to market and expand customer base
- Higher operational efficiencies

Social & Relationship Capital

Social

Through our social initiatives we seek to create a culture that promotes social integration by investing in community development projects and enhance social well-being of the society as a whole.

Our vision

To build an empowered society through education, community development, and environment sustainability. Our various needbased development initiatives focus on benefiting the marginalised and vulnerable sections of society.

CSR focus areas

- **Education & Skill Development**
- **Environmental Sustainability**
- **Sanitation**
- **Disaster Relief**
- **Rural Development**

Review FY 2018-19

Operating with a transparent mechanism, our Board CSR Committee met four times during the year. They interacted with our CSR project implementing partners, evaluated the performance of all projects, reviewed the amount of expenditure involved in each project and the impact created on the beneficiaries. A total contribution of ~₹414 Mn during the reporting year, helped various social initiatives implemented across different geographies, leaving a positive impact on lives of thousands of children, youth, and adults.

~₹ **414** Mn

Total amount spent for FY 2018-19

8

Total no. of projects undertaken

350,000+

Total No. of lives impacted

CSR highlights

Project / Program	Objective	Location	Impact
Satya Bharti School Program	Free quality education to disadvantaged and marginalised children in rural areas.	Kaithal, Kurukshetra, Rewari, Mahendragarh, Jhajjar in Haryana; Jodhpur, Amer, Neemrana in Rajastan; Mushirdabad in West Bengal; Sivaganga in Tamil Nadu; Shahjahanpur, Farrukhabad, Bulandshehar in Uttar Pradesh and Amritsar, Ludhiana, Sangrur in Punjab.	• **46,191** students in **254** schools, across six states, were provided free quality education • **1,644** teachers from the local community were employed • **50%** of students and **69%** of our teachers are female • **76%** of students belong to SC/ST/OBC
Satya Bharti Abhiyan	Create provision for sanitation facilities and awareness on its sustainability.	Individual Household Toilets in Ludhiana (Rural and Urban) and Amritsar (rural) in Punjab. In Amritsar, Abhiyan is being implemented in collaboration with Department of Water Supply and Sanitation, Government of Punjab. **14** Girls toilets (government Schools - Rural Ludhiana) **37** Ladies Toilets for officers and visitors in Police stations (Ludhiana Police Commissionerate)	• **18,402** toilets (rural + urban Ludhiana) • **5,040** toilets (rural Amritsar) • **175,069** Total Beneficiaries (including **56,031** estimated beneficiaries annually for ladies toilets at Ludhiana Police commissionerate)
Bharti Infratel Scholarship Programme	Financial support to students with disabilities for higher education through Bharti Infratel Scholarship Program	Assam, Meghalaya, Mizoram, Nagaland, Tripura, Sikkim, Manipur and Arunachal Pradesh	• **196** underprivileged students with disabilities, from eight states of the Northeast, are benefiting through access to the best educational institutions and opportunity to pusue courses of their choice • **43%** of the beneficiaries are girls

The above data is as of March 31, 2019

Social & Relationship Capital

CSR highlights (contd..)

Project / Program	Objective	Location	Impact
Facilitating learning on Water Sanitation & Hygiene (WASH) and	Creating safe water provision and awareness on WASH (water, sanitation and hygiene) in marginalised urban schools and faciliating availablity of clean drining water	Odisha - **Bhubaneswar;** Jharkhand – **Ranchi;** Madhya Pradesh – **Indore;** Haryana – **Panipat:** Jammu & Kashmir - **Jammu;** Assam - **Guwahati**	• Provided clean water infrastructure including Rainwater Harvesting structures in **33** schools across Bhubaneswar, Indore and Ranchi. Construction of similar infrastructure is in progress as on 31st March 2018 in Panipat, Guwahati and Jammu. • **350** knowledge workshops conducted on water, sanitation and hygiene for students • **73** teacher training and parents workshops were organised across these **6** cities • Reached to **37244** students, **3158** teachers/parents and **10000+** community members
Facilitating availability of Clean Drinking Water in backward areas of Rajasthan		Backward areas- **Rajasthan**	• Availability of clean drinking water in **30** remote and backward locations of Rajasthan
Telecom Gurukul	Creating Livelihood opportunities for fresh ITI pass-outs in the Telecom Sector	Deogarh - **Jharkhand**	• **162** youth trained as Tower Technicians, Riggers and **153** of them provided employment opportunities in different telecom companies
Ramadham	Infrastructure renovation for old age home	Raigad, **Maharashtra**	• Support extended to Smt. Ramabai Keshav Thackeray Vishwasta Sanstha towards redevelopment of Ramadham (old age home) complex, which includes new building with modern amenities, fully equipped rooms for senior residents, a health care center, entertainment facilities, serene surroundings, etc.

The above data is as of March 31, 2019

A brief about Bharti Foundation

Bharti Foundation was set up in the year 2000 as the philanthropic arm of Bharti Enterprises.

It implements and supports programs in the field of primary, secondary and higher education as well as sanitation through its various programs. The educational programs currently reach out to over 250,000 students, engaging more than 11,000 teachers across 16 Indian states.

Education

The Flagship Satya Bharti School Program

Details of the program:

Bharti Infratel is a proud supporter of Bharti Foundation's initiatives, which promote access to quality education for underprivileged children, especially in the rural areas of the country.

Through 254 Satya Bharti Schools, we support the Foundation in providing free quality education to underprivileged children in the rural areas of Haryana, Punjab, Uttar Pradesh, Rajasthan, West Bengal and Tamil Nadu. This program is aimed at transforming students into educated, confident, responsible and self-reliant citizens of India.

254

No. of Satya Bharti Schools across six states

46,000+

Underprivileged children currently being reached out

Social & Relationship Capital

Through this program, the access to free and quality education in rural areas has been made easy. It has also created employment opportunities for educated youth in the rural areas like teachers, empowered girl children, and has increased awareness among communities on the importance of education.

Encouraging reforms

Right to Education (RTE) Act guarantees education to all citizens of India. RTE and other flagship programs by the Government like Sarva Shiksha Abhiyan (SSA) and Rashtriya Madhyamik Shiksha Abhiyan (RMSA) have paved the way for underprivileged children to pursue education and these reforms have helped to create a positive impact in the field of education across the country.

Outcome

- Quality education to underprivileged children
- Covers a large rural-base
- Free education - No fees
- Student welfare: mid-day meals, textbooks, notebooks, uniforms
- Primary, Elementary and Senior Secondary Schools.
- Special focus on the girl child
- Vocational education

A structured impact assessment study of Satya Bharti School Program, conducted by Ernst & Young in May 2014 can be downloaded from

KPIs

- **254** Schools
- **Six** States
- **46,191** Students
- **50%** Girls
- **76%** SC/ST/OBC
- **1,644** Teachers (**70%** Female Teachers)

http://www.bhartifoundation.org/uploads/bhartifoundation/files/1487308160-social-impact-assessment-of-satya-bharti-school-program---report-by-ernst-young.pdf

Satya Bharti Quality Support Program

Initiated in 2013, Satya Bharti Quality Support Program engages school leaders, teachers, students, parents and communities for enhancing the overall schooling experience in the partnered government schools. Good practices of Satya Bharti Schools are implemented in each school with the purpose of institutionalizing these in a time frame of three to five years. The Program's framework is structured around the whole-school approach through co-scholastic activities defined under four program pillars. Each school decides the pace and trajectory depending on the School leader's vision for bringing about a sustainable change.

The program has achieved phenomenal success in the last five years in terms of the number of schools and students impacted across the length and breadth of the country. Its footprint has expanded rapidly, now outreaching over 2.5 lakh students in more than 750 government schools in 14 states.

Sanitation

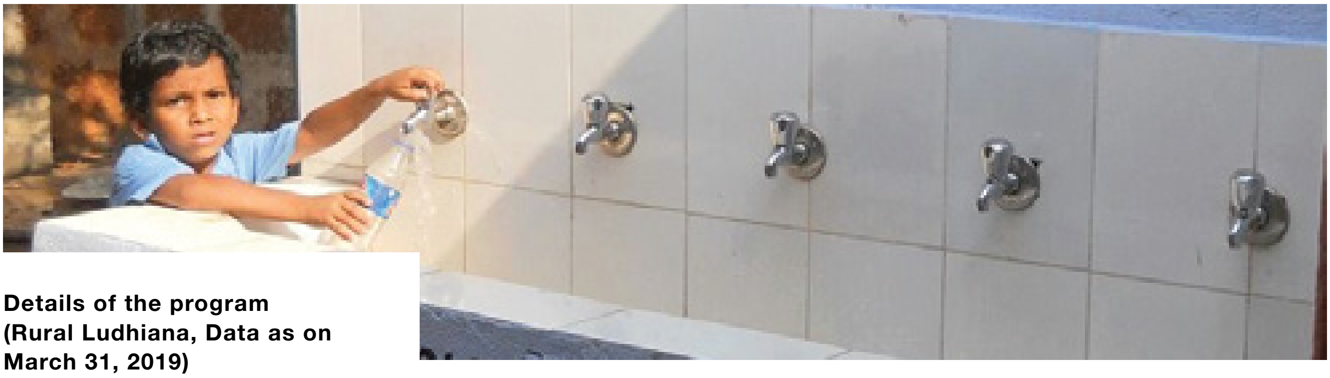
Satya Bharti Abhiyan

An overview

Launched in August 2014, the Satya Bharti Abhiyan, improves sanitation conditions in large geographic areas, by providing access to toilets to all households. This enables these areas to become Open Defecation Free (ODF). It commenced operations from Ludhiana district (rural) and once it became self-declared ODF the Abhiyan spread it's footprint to urban areas of Ludhiana district in October 2016 and to Amritsar district (rural) in September 2017. In Amritsar, the Abhiyan is being implemented in collaboration with the Department of Water Supply and Sanitation, Govt of Punjab.

In Ludhiana, construction of toilets was outsourced to partners whereas in Amritsar, beneficiaries are constructing the toilets. The Information, Education and Communication (IEC) aims to foster behavior change, for promotion of usage and maintenance of toilets. This is implemented through the government agencies and re-enforced through IEC by outsourced partners. Process orientation, transparency and stake holder empowerment form the pillars of this implementation.

Social & Relationship Capital



Details of the program (Rural Ludhiana, Data as on March 31, 2019)

Satya Bharti Abhiyan as of March 31, 2019

18,402

Toilets (rural+urban Ludhiana)

5,040

Toilets (rural Amritsar)

14

Girls toilets (government school - Rural Ludhiana)

37

Ladies toilets (Ludhiana Police Commissionerate)

175,069

Total Beneficiaries (including 56,031 estimated beneficiaries annually for ladies toilets at Ludhiana police commissionerate)

In addition to the individual household toilets, 14 Government schools in rural Ludhiana, identified by Punjab Education Development Board were provided a separate toilet for girls. Ludhiana Police Commissionerate signed a Memorandum of Understanding (Mou) with Bharti Foundation in 2018 to construct toilets for women staff and visitors in police stations and posts under the jurisdiction of the commissionerate. Other than regular amenities, each toilet is equipped with an incinerator for onsite disposal of sanitary napkins.

Outcome

Besides providing infrastructure, efforts and campaigns were organised to harness the much-needed behavioural change towards health and wellness of the community. The project could improve the health and learning levels to control the reduction in children missing school due to ill health caused by lack of sanitation facilities.

Visible results

- Partnership with local government in implementing the project on ground
- Reduction in open defecation
- Increase in productivity of rural population with good health
- Facilitating good health and sanitation
- Contributed with toilet construction in urban Ludhiana, rural Amritsar, urban local bodies and government schools
- Ludhiana district (rural), one of the largest and most populated districts of Punjab became the second self-declared "Open Defecation Free" district in the state in November 2016
- A survey of usage of toilets provided to the beneficiaries, revealed 98.54% being used and 0.88% not being used (information on 0.58% not available).
- Amritsar district (rural) has achieved self-declared Open Defecation Free (ODF) status on March 28, 2018 and Punjab (rural) on March 30, 2018

"It is great to see my mother and other women of my community breathe clean air inside and outside our homes"

Jyoti Yogi
— the change ambassador

Jyoti Yogi, Alumna, Satya Bharti School, Amer (Rajasthan)

Jyoti Yogi, a student of Satya Bharti School, Amer, attended a Swachh Bharat event organized by her school where she heard about the Ujjwala Yojna [a Government scheme under which underprivileged families are provided with Liquid Petroleum Gas (LPG) cylinders] and learnt the importance of using clean fuel and its impact on the environment. With the villagers of Amer relying heavily on unclean fuel such as firewood and cow dung cakes for indoor cooking, people been falling prey to various illnesses owing to these unhealthy practices. With a resolve to increase awareness and persuade families from her community to avail the benefits of Ujjwala Yojna, she conducted a door-to-door campaign which led to many families applying for the scheme and even more to join her in her campaign.

Story sourced by
Mr. Babu Lal Jangid
Head Teacher

Jharkhand students receive International Award for teaching all mothers in the community

Villages in Jharkhand witnessed a crusade conducted by students from UMS Khairbani School, Kathikund, (Dumka), Jharkhand. A partner school under the aegis of the Satya Bharti Quality Support Program, students from the school were rewarded for initiating the 'Mother's Literacy' campaign in the villages. Awarded with the prestigious Gold Award in Group category in "The 2019 Pramerica - the Spirit of Community Awards", this campaign was selected among nearly 3,500 entries nationwide.

Under this campaign identified illiterate women in the village and taught them Hindi alphabets, enabling them to write their names and other simple words, along with basic numerical ability. In the year 2018 alone, the initiative succeeded in making 60 households, (out of nearly 85 household) functionally literate in the village.

Social & Relationship Capital

Facilitating Learning On Water, Sanitation & Hygiene (Flow) and Facilitating availability of Clean Drinking Water in backward areas of Rajasthan

Project FLOW aims at providing access to safe water to fulfil the need of drinking and sanitation in marginalised schools and create awareness on maintaining adequate hygiene and adopting healthy sanitation practices for sustainable growth.

In partnership with TERI, through project FLOW – Facilitating Learning on Water, Sanitation and Hygiene (WASH), Bharti Infratel put emphasis on providing safe water infrastructure (including rainwater harvesting systems) for marginalised urban schools across six cities. Sixty three schools and their neighbouring communities across Bhubaneswar, Ranchi, Indore, Jammu, Panipat, and Guwahati, will benefit from this intervention.

The infrastructure provided in 33 schools in Bhubaneswar, Ranchi and Indore is being used and maintained by these schools with support from our implementation teams. The schools are being taught how to ensure its sustainable usage and create awareness for other students joining the school in future. All these schools were also provided with the Rainwater harvesting structures as well, which has helped them in conserving water. As of March 31, 2019, the safe water infrastructure in 30 Schools across Panipat, Guwahati and Jammu is under construction. Till date 350 knowledge workshops for students, teachers, parents and community members have been organised across these cities which address several important topics related to water, hygiene and sanitation.

Highlights

63
schools selected across 6 cities

16
teacher training programs

30
Community Interactions on WASH

6
city level multischool water fastival "**Jal Tarang**" organised

10,000+
Interacted with community members

247
knowledge workshops were conducted for parents and students, reaching out to 37,244 students

60
School Action projects on WASH initiated

150+
Bharti Infratel employees volunteered for different initiatives of Project FLOW

3,000+
Teachers and parents covered

30
Availability of clean drinking water in remote and backward locations of Rajasthan

A mid-term assessment of project FLOW was conducted by Innovative Financial Advisors Private Limited (a CSR M&E consultancy firm), to access the progress of the project and ensure that TERI takes the corrective measures wherever required and modifies the program as per the requirements in each geographical location.

Project Flow

Case Study on Bhakta Kabi Madhusudan School, Dumdama, Bhubaneswar

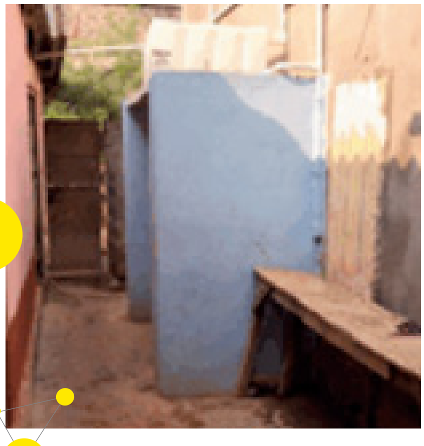
The situation then

Bhakta Kabi Madhusudan School, Dumdama, Bhubaneswar, is one of the member schools of Project FLOW. Since its inception, the school had no access to safe drinking water and students were dependent on community resources to draw water which was also in a very deplorable state. In addition, the school also lacked a proper water purification system and sanitation facilities. The students were not aware of the components of WASH and did not receive any training on related issues. Due to lack of piped water supply, even communities in the vicinity drew water through tube wells.

With the initiation of Project FLOW in 2015, and through results of the feasibility study, certain requirements, detailed as follows, were gauged to address the socio-political and environmental barriers to water supply.

We installed one water purifier, pipeline and civil work with 3 taps (including 1 for special children), rainwater harvesting structure (100 sq. m), submersible pump for lifting water from bore-well, raw water storage tank (500 lt) for toilet and hand-washing purposes, and filter water storage tank (100 lt) for drinking water.

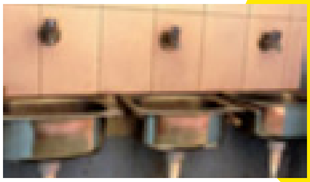
Situation before construction and installation of WASH related infrastructure



Situation After construction and installation of WASH related infrastructure

In addition to these hardware interventions, awareness was generated in order to create an attitudinal change amongst the students and teachers with respect to WASH.

Millions of people in India across the country still do not have access to basic amenities like clean drinking water. Rajasthan in particular is a highly water scarcity state and large part of the rural population is dependent on ground water sources which are carrying high level of contaminants viz. Salinity, Fluoride, Nitrate. The available water quality is detrimental to the health of the population, specifically the children. Accordingly, 30 backward areas in remote villages of Rajasthan were chosen for providing clean drinking water through provision of Reverse Osmosis Plants in these areas.



New developments after construction and installation of WASH related infrastructure

Social & Relationship Capital

A Definite Change

The project interventions ensured access to safe drinking water in the school premises and communities residing around for approximately 800 people. It solved the problem of hundreds of students who had no option except to run to their homes to fill water after every 2 hours. Additionally, the issue of lack of piped water supply was resolved through installation of a rain water harvesting unit. This enabled rainwater to collect in a storage tank which was connected to the toilets, thus, ensuring proper sanitation facilities.

In fact, students were willing to take care of the infrastructure and educate their peers about its safety. The school has formed a School Steering Committee, which comprises of the school principal, a school teacher, 5 students, and 2 parents to ensure the safety and security measures.

Knowledge Workshop 2

Building for the Future

During the second year of the project, special emphasis shall be laid to involve parents and communities in the programme along with students and teachers. The idea is to involve them in the process of change by way of building their capacity on realizing the importance of WASH. The methodology adopted for the communities will be quite engaging and will encompass activities, such as street plays, campaigns, folk tales, informal meetings, etc., on the said issue to ensure collective consciousness amongst the stakeholders.

Skill Development & Creating Livelihood Opportunities

Telecom Gurukul

Training in progress at under project Team Gurukul

An overview

Bharti Infratel launched a demand-led residential skill-development program for the unskilled rural youth belonging to marginalised communities in Telecom trades. This provided them with an assurance of placement in the Telecom industry across the country. It partnered with PARFI (PanIIT Alumni Reach for India Foundation) to setup the first Telecom Gurukul (Rural residential skill centers managed by ex-Armed Forces JCOs) at Deoghar district in the State of Jharkhand. The State Government also supported the project by providing building, land and capex. NABARD and NABFINS were the other project partners who provided microfinancing to the candidates to undertake the course.

Youth participating at project Team Gurkul

Project / Program	Objective	Location	Impact
Telecom Gurukul	Creating Livelihood opportunities for unskilled rural youth in the Telecom Sector	Deoghar - Jharkhand	150 youth trained as Tower Technicians, Telecom Riggers and 141 of them provided employment opportunities in different telecom companies

Details of the program

The Telecom Gurukul started with Tower Technician trade but had to quickly move to Telecom Rigger as there was no longer any demand for Technicians. However, a decent demand of Riggers has been seen. As of December 31, 2018, one batch of Tower Technicians and six batches of Telecom Riggers have been trained and placed from the Gurukul. A total of 150 candidates have been trained and 141 placed in various Telecom companies across India. The placement partners included Applied Solar Technologies, Teleysia, Vedang Cellular, Alfadecimal and Sindhu Advisory Services. The candidates were mobilized from Jharkhand and Bihar.

Work site like training infrastructure is provided to the candidates including a 30m tower and expensive devices donated by Bharti Infratel. This along with customized curriculum ensures that a candidate is skilled and productive from Day 1. As a result we have been able to negotiate a monthly salary of ₹16,000 (₹12,806 in hand post PF deduction etc.) with the current employer.

The project envisages adding more need and opportunity based trades within the Telecom and related sectors and reach out to more and more unskilled youth over the coming years.

Social & Relationship Capital

Bharti Infratel Scholarship Programme

Highlights

Project / Program	Objective	Location	Impact
Bharti Infratel Scholarship Programme	Financial support to students with disabilities for higher education through Bharti Infratel Scholarship Program	Assam, Meghalaya, Mizoram, Nagaland, Tripura, Sikkim, Manipur and Arunachal Pradesh	— 196 underprivileged students with disabilities, from Eight states of the Northeast, are benefiting through access to the best educational institutions and are being provided with opportunity to pusue courses of their choice — 43% of the beneficiaries are girls

An overview

We initiated Bharti Infratel Scholarship Programme in Oct 2015 across the North-eastern region of India in partnership with Shishu Sarothi, a non-profit organisation working for the upliftment of people with disabilities. This program is aimed at promoting the inclusion of students with disabilities in the mainstream by providing financial support to complete their higher education.

Details of the program

Create a cadre of young people:

Support young students with disabilities who shall be able to pursue their educational aspiration and build a career or start their own enterprises

Disseminate information vis-à-vis Right to Persons with Disabilities Act 2016:

Highlight the rights provided to them by law and encourage educational institutions to come forward and work towards adopting an inclusive development agenda for disabled students

Reach out to a neglected region:

Assist in creating a new scope for these students hailing from the North East region, in gaining skills and participating in the work force as equal citizens

Sensitise other Corporates:

To come forward and support inclusion of people with disabilities in the mainstream by helping create enabling conditions for them

Outcome

Bharti Infratel Scholarship Program reached out to 196 students from across North-eastern states in two years. Of these 44 students completed their course in FY 2017-18 and the rest are pursuing professional/technical courses, graduation and post-graduation courses in different subjects.

Our effort of promoting inclusion of people with disabilities (especially from the northeast region) of India to the mainstream, through access to higher education has been appreciated in several forums and was also felicitated with the ET NOW CSR Leadership Award in February 2018

Highlights

No. of students	States covered	Type of disability	Courses
— 196 Students — 43% of these are female students pursuing higher education	— Assam — Arunachal Pradesh — Manipur — Meghalaya — Mizoram — Nagaland — Tripura — Sikkim	— Locomotor Disability — Visual Impairment — Hearing Impairment — Dystonia Cerebral Palsy — Cerebral Palsy Diplegia	— Graduation — Post-Graduation — Professional Courses (IIT / MBBS) — Technical Courses (ITI, Computer Application)

Aiming higher

Visazo Khiki, 23 years, is one of the brilliant scholars of Bharti Infratel Scholarship Program. His father is a government servant and his mother is a farmer with an aggregate annual income of ₹96,000 only. But this income was not enough to sustain a family of six. Bharti Infratel extended its support to Visazo to complete MBBS from Kozikhode Medical College. Visazo has completed his course successfully and is currently pursuing internship from Kozhikode Medical College. He wants to come back to his native place later on and help people with disabilities by providing them free and proper medical treatment.

Visazo says, "I am thankful for this scholarship as it helped me and my family by lessening the burden of my educational expense because the fees of professional courses are quite high and my family was burdened with debts already."

Appreciating the program, he also said that there are many students with disabilities who are still unidentified. Such initiatives that support education of disabled individuals can go a long way in transforming lives inspiring others.

A positive reputation and quality relationship with customers, regulators, investors, suppliers and communities is the foundation of our ability to generate revenue. We strive to deliver social values through our CSR activities and reduce the gap of social indifference. This enable us to create value for our people, business and the society at a large.

Capitals Linked:

Financial Capital

Intellectual Capital

Human Capital

Awards

Manufactured Capital

Bharti Infratel was awarded under the category Telecom Infrastructure Development by Dun & Bradstreet Infra Awards 2018 for contributing in building an India of Tomorrow. To commemorate the honours Shri Amitabh Kant, IAS, Chief Executive Officer, NITI Aayog, Government of India graced the occasion. Dun & Bradstreet Infra Awards recognize and felicitate India's leading infrastructure companies who have delivered exemplary performances, under various verticals of infrastructure.

At the 6th Smart Cities Conclave and Awards organized by BW Businessworld, Bharti Infratel was awarded for Best Smart Infrastructure Development to commend its work for Bhopal Smart City. It was awarded by Smt Sarveen Chaudhary, Hon'ble Minister for Urban Development & Housing, Government of Himachal Pradesh; Mr. Vinit Goenka, Member Governing Council, Central for Railway Information Systems.

Social & Relationship Capital

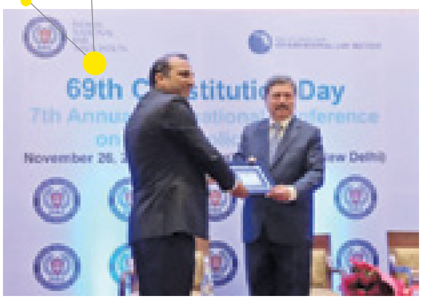
Bharti Infratel received the Responsible Business award at SABERA Summit and Awards organized on December 6, 2018 at Teen Murti Bhavan, Nehru Museum, New Delhi. The awards recognize and felicitate India's leading companies who have delivered excellence in building a sustainable future under various categories of social and business responsibility.

Bharti Infratel was adjudged with the coveted Golden Peacock Award for Corporate Social Responsibility by Institute of Directors at Hotel Taj Lands End, Mumbai (India) on January 17, 2019. It was awarded by Mr. Prakash Manchubhai Mehta, Minister of Housing, Govt. of Maharashtra. The awards are honoured to India's leading companies under various sectors who have been committed towards CSR. The esteemed panel of jury members at Institute of Directors rigorously scrutinised each award application and recognised the ones with noteworthy initiatives in CSR

Bharti Infratel received the "ET NOW CSR Leadership Award 2018" for its efforts towards building an inclusive world, by supporting inclusion of differently abled people into the mainstream through the Bharti Infratel Scholarship Program, a CSR initiative being implemented in the North-east region of the country.It is an appreciation of efforts towards driving the agenda of inclusion through equal participation and access to opportunities through education for people with disabilities.

Intellectual Capital

Rajiv Arora, Chief Legal, Regulatory and Corporate Affairs, Bharti Infratel, has been recognised as 'General Counsel of the Year' by Indian National Bar Association (INBA) at the 69th Constitutional Day, on November 26, 2018.



Bharti Infratel has been awarded for the category Innovation in Telecom Infrastructure at the 9th edition of Aegis Graham Bell Awards hosted by the Government of Goa held on February 1, 2019 at Entertainment Society of Goa. The occasion was graced by Mr. Rohan Khaunte, IT Minister as the chief guest and Mr. Ameya Abhyankar, ITsecretary. The jury evaluated the various organizations across the country over the past year through multiple rounds and recognized the winners.

Biswajit Patnaik, Chief Sales and Marketing Officer, Bharti Infratel Limited has been conferred the Recognition Trophy for Strategy Leader of the year 2019 at the 4th Annual Strategy Leaders Summit & Awards 2019 held in Hotel St. Regis, Mumbai on February 8, 2019. The recognition marks Biswajit's numerous leadership contributions to the organization and having exhibited exemplary commitments to the growth of the company.

Mr. Akhil Gupta, Executive Chairman, Bharti Infratel and Vice Chairman of Bharti Group has been bestowed with theLifetime Contribution Award at the Voice & Data Awards (2018). The award was in recognition of the tireless role played by him in the formative stages of the Indian telecom industry specially during the critical phase when the policy and market uncertainty challenges seemed to be insurmountable. It was awarded by Ms. Aruna Sundararajan, Chairman, Digital Communications Commission & Secretary, Department of Telecommunications, Government of India

Business Responsibility Report

Section A: General Information about the Company

1. Corporate Identity Number (CIN):	L64201HR2006PLC073821
2. Name of the Company	Bharti Infratel Limited
3. Registered Address	901, Park Centra, Sector-30, Gurugram-122001
4. Website	www.bharti-infratel.com
5. Email id	compliance.officer@bharti-infratel.in
6. Financial Year reported	2018-2019
7. Sector(s) that the Company is engaged in (industrial activity code-wise)	Telecom Tower Infrastructure Sharing Services

Industrial Group	**Description**
612	Activities of providing Telecom Tower Infrastructure Sharing for telecommunication services
As per National Industrial Classification – Ministry of Statistics and Programme Implementation	
8. List three key products / services that the Company manufactures / provides (as in balance sheet):	Services related to Telecom Tower Infrastructure Sharing. (Acquire, build, own and operate towers and related infrastructure).
9. Total number of locations where business activity is undertaken by the Company	Bharti Infratel Limited is carrying out business activity across all States of Union of India either directly or through our joint venture i.e. Indus Towers Limited
Number of International Locations (Provide details of major 5)	Nil
Number of National Locations	Bharti Infratel Limited is carrying out business activity across all States of Union of India either directly or through its joint venture i.e. Indus Towers Limited
10. Markets served by the Company - Local / State / National / International	The Company is serving all Indian markets

Section B: Financial Details of the Company

1. Paid up capital (₹) : 18,496 Mn
2. Total turnover* (₹) : 68,217 Mn
3. Total profit after taxes** (₹) : 27,790 Mn
4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) : 1.49%
5. List of activities in which expenditure in 4 above has been incurred:

    1) Education of underprivileged children in rural areas across 6 States;
    2) Scholarship to pursue/continue higher education to Students with Disabilities living in north east region of India;
    3) Providing sanitation facilities in rural areas across Amritsar in Punjab – Satya Bharti Abhiyan;
    4) Safe water provision and awareness on Water, Sanitation and Hygiene in marginalized Urban Schools across 6 cities;
    5) Skilling unemployed youth (including women) belonging to marginalized communities in different trades including telecom and related industry trades;
    6) Providing clean drinking water at public places in the remote and backward areas of Rajasthan by installing reverse osmosis water purification plants.

*on standalone basis excluding other income
**on standalone basis

Section C: Other Details

1. Does the Company have any Subsidiary Company / Companies?

Yes

2. Do the Subsidiary Company / Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary company(s).

No

3. Do any other entity / entities (e.g. suppliers, distributors etc.), that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity / entities? [Less than 30%, 30-60%, More than 60%]

Few initiatives have been undertaken by our supplier/s, as per common practice, however, there is nothing significant to report.

Section D: BR Information

1. Details of Director / Directors responsible for BR:

a) Details of the Director / Directors responsible for implementation of the BR policy / policies:

DIN Number	:	06798626
Name	:	Devender Singh Rawat
Designation	:	Managing Director & CEO

b) Details of the BR head:

Name	:	Rajiv Arora
Designation	:	Chief Legal, Regulatory & Corporate Affairs
Telephone no.	:	+91 124 4132222
e-mail id	:	rajiv.arora@bharti-infratel.in

2. Principle-wise (as per NVGs) BR Policy / policies (Reply in Y / N):

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility.

Principle 1

Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

Principle 2

Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

Principle 3

Businesses should promote the well-being of all employees

Principle 4

Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

Principle 5

Businesses should respect and promote human rights

Principle 6

Businesses should respect, protect, and make efforts to restore the environment

Principle 7

Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

Principle 8

Businesses should support inclusive growth and equitable development

Principle 9

Businesses should engage with and provide value to their customers and consumers in a responsible manner

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy / policies for...	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to national / international standards? If Yes, specify? (50 words) *	Y	-	Y	Y	Y	Y	Y	Y	Y
4.	Has the policy being approved by the Board? If yes, has it been signed by MD / Owner / CEO / appropriate Board Director? **	Y	N	Y	Y	Y	Y	Y	Y	Y
5.	Does the Company have a specified committee of the Board/Director / Official to oversee the implementation of the policy? ***	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	Y#	N	N	Y	N	N	N	N	N
7.	Has the policy been formally communicated to all relevant internal and external stakeholders? ##	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the Company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies? ###	Y	Y	Y	Y	Y	-	-	Y	Y
10.	Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency? ####	Y	N	Y	Y	Y	-	Y	Y	Y

* All the policies are formulated with detailed consultation and benchmarking across industry. The Policies also conform compliance majorly with all applicable laws.

** As per company's practice, all the policies are approved by the concerned authority depending upon the nature of policy. The concerned authority could be either MD & CEO/ Functional Head etc.

*** All the policies have a Policy Owner and the respective policy owners are responsible for implementation of the Policy.

\# Except Code of Conduct / Ombudsperson Policy, all other policy documents are internal policies of the Company and thus, are not available on website of the Company. The Code of Conduct document can be accessed on the below link:

http://www.bharti-infratel.com/cps-portal/web/iSupplierTermsAndConditions.html

http://www.bharti-infratel.com/cps-portal/web/corporate_governance.html

\## Except the Ombudsperson Policy which is available on the website of the Company, all other policies being in house are uploaded on the intranet and are accessible to all employees of the Company.

\### Any Grievance relating to any of the policy can be escalated to the Policy owner/ MD & CEO/ Ombudsperson.

\#### Implementation of the policies is evaluated as part of internal governance by policy owners.

2a. If answer to question at Sr. No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The Company has not understood the Principles	-	-	-	-	-	-	-	-	-
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified Principles	-	-	-	-	-	-	-	-	-
3.	The Company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4.	It is planned to be done within next six months	-	-	-	-	-	-	-	-	-
5.	It is planned to be done within next one year	-	-	-	-	-	-	-	-	-
6.	Any other reason (please specify)	-	-	-	-	-	-	-	-	-

3. Governance related to BR:

- **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.**

  The Managing Director & CEO assesses the BR performance of the company on annual basis.

- **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

  Yes, the BR and sustainability reporting is covered in the Integrated Report.

Section E: Principle-wise Performance

Principle 1:

Ethics, Transparency and Accountability

Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

1. **Does the policy relating to ethics, bribery and corruption cover only the Company? Yes / No. Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?**

   Bharti Infratel Limited's commitment towards compliance to the highest governance standard is backed by an independent and fully informed board, comprehensive processes, policies and communication. The Company adheres to the highest level of ethical business practices as articulated by its Code of Conduct to achieve its performance with integrity. Policy relating to ethics, bribery and corruption is duly covered under Bharti's Code of Conduct. This policy extends to the entire Bharti Group and covers employees, suppliers and contractors, service providers and their employees. Additionally, the Company's Consequence Management Policy prescribes the action to be initiated in all confirmed cases of violation.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof in about 50 words or so.**

   In FY 2018-19, 15 cases of allegations of financial impropriety/ bribery were received. Post investigations, the allegations were substantiated in 3 cases in which action was initiated according to the Consequence Management Policy and in 7 cases, the investigation is in progress.

Principle 2:

Product Lifecycle Sustainability

Businesses should provide safe goods and services that are safe and contribute to sustainability throughout their life cycle.

1. **List up to three of your products or services whose designs have incorporated social or environmental concerns, risks and/ or opportunities.**

   i) Installed solar powered sites as an alternate energy resource.

   ii) Introduced free cooling units to replace existing air-conditioners at few sites for reducing the energy consumption.

   iii) Introduced additional initiatives towards reducing energy consumption viz. battery bank hybrids, lithium ion batteries, indoor to outdoor conversion of BTS at sites.

   iv) concertized and executed Indoor to outdoor project under which AC's were removed from the BTS sites with modification in design, thereby saving huge energy.

   v) Conceptualized NMTC (Nono Molecular Thermal Conductor), which will help make site greener with lower consumption of fuel.

   vi) RESCO based solutions are helping us in energy cost reduction as well as rendering community support services.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material and so on) per unit of product (optional):**

   a) reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?

   The Company has reduced energy and transportation costs as a result of the aforesaid initiatives.

   b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

   The Company has reduced significant CO2 emissions by implementation of the aforesaid initiatives.

3. **Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also provide details thereof, in about 50 words or so.**

   Yes. The Company has implemented various sustainable supply chain practices and initiatives and at the same time ensures timely and cost effective deliveries for necessary resources.

4. **Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

   Yes, the Company sources most of its products locally and regional suppliers are engaged to provide services. Their capacities have improved over a period of time by the Company giving them more business in phases.

5. **Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling them (separately as <5%, 5-10%, >10%)? Also provide details thereof, in about 50 words or so.**

   Yes, the Company sells its products to recyclers for further usage. Also, the Company's products are refurbished for reuse from its principle supplier/s.

Principle 3:

Employee Well-being

Businesses should promote the well-being of all employees

1. **Total number of employees.**

   As on March 31, 2019, the strength of Bharti Infratel Limited's on roll workforce stands at a total of 1235 on standalone basis

2. **Total number of employees hired on temporary / contractual / casual basis**

   As on March 31, 2019, the strength of Bharti Infratel Limited's workforce on temporary basis stands at a total of 4246

3. **Total number of permanent women employees.**

   As on March 31, 2019, the strength of Bharti Infratel Limited's permanent women employees stands at a total of 115.

4. **Total Number of permanent employees with disabilities.**

   As on March 31, 2019, the strength of Bharti Infratel Limited's permanent employees with disabilities stands at a total of 12

5. **Do you have an employee association that is recognised by the Management?**

   No

6. **What percentage of your permanent employees is member of this recognised employee association?**

   NIL

7. **Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year are pending as on the end of the financial year.**

   No pending complaints in any category mentioned above

8. **What percentage of your under-mentioned employees were given safety and skill up-gradation training in the last year?**

a)	**Permanent employees**	100% New Joinees mandatory Safety Training, 99.7% Safety Refresher & 82% Skill Upgradation (Behavioral & Functional)
b)	**Permanent women employees**	100% New Joinees mandatory Safety Training, 100% Safety Refresher & 82% Skill Upgradation (Behavioral & Functional)
c)	**Casual/ Temporary/ Contractual Employees**	100% new joinees mandatory Safety Training 99.7% Safety Refresher and on going on the job training.
d)	**Employees with disabilities**	100% new joinees mandatory safety training, 100% Safety Refresher & 70% Skill Upgradation (Behavioral & Functional)

Principle 4:

Stakeholder Engagement

Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

1. **Has the Company mapped its internal and external stakeholders? Yes / No**

   Yes, the Company has mapped its stakeholders as a part of its stakeholder engagement process. Key categories are:

   1) Customers
   2) Shareholders/Investors
   3) Partners (Suppliers/Vendors/Landlords)
   4) Employees
   5) Regulatory Bodies
   6) Industry forum
   7) Community at large including the disadvantages groups and vulnerable sections like children/ unskilled youth and the civil society

2. **Out of the above, has the Company identified the disadvantaged, vulnerable and marginalised stakeholders?**

   The Company through its CSR works with disadvantaged, vulnerable and marginalized stakeholders, in association with Bharti Foundation, The Energy and Resources Institute (TERI), Shishu Sarothi, PanIIT Alumni Reach for India Foundation. All our beneficiaries through the social development projects implemented by the above mentioned organizations are centered around the marginalized, economically weak and disadvantaged sections of the society, especially the girl child, underprivileged women, persons with disabilities and unemployed youth. Our company's community initiatives are being implemented in both rural and urban areas.

   Besides the direct project implementation through these organizations, the company with the support of its employees also contributes funds to several other non-profit organizations including Helpage India, SOS Children's Village of India, CRY (Child Rights and You), National Association for the Blind and Bharti Foundation.

3. **Are there any special initiatives undertaken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders?**

   Over the years, Bharti Infratel has been getting accolades for efforts on social concerns like education, access to safe water, sanitation and skill development. Our efforts to promote inclusion of people with disabilities and bring them into the mainstream have also been appreciated at different platforms including by the government.

   Our commitment to building a business that has a positive impact on the society and caring for the community that we operate is an integral part of our business strategy. We have a very clear CSR vision of building an empowered society through education, community development and environment sustainability. Our CSR policy also defines the company's focus on varied social intervention and the governance system that guide us in delivering the desired impact on ground.

   This year also the focus continues on promoting education of underprivileged children and students with disabilities, providing access to safe water facilities in marginalized schools and proper sanitation facilities in rural communities, besides supporting related issues on the community health/wellbeing and creating livelihood opportunities for marginalized youth through skill development.

   Education, being the main focus of our social development interventions, is being supported through Bharti Foundation, the philanthropic arm of Bharti Group. Through the Satya Bharti School Program, more than 46000 students are provided free quality education through 254 schools across 6 states of India (Haryana, Punjab, Rajasthan, West Bengal, Tamil Nadu and Uttar Pradesh). This program has also created employment opportunity for more than 1653 teachers from the surrounding communities. The education and other facilities like mid-day meals, books, uniforms, etc. are provided free. Community interactions are maintained on regular basis and several community based initiatives are organized to influence the behaviors of the rural community towards education and other social concerns specific to their region. This program also focuses on bringing about sustainable changes through the use of technology by these underprivileged children. In Satya Bharti Schools, 50% of our students are girls and 70% of our teachers are females. Similarly, the Bharti Infratel Scholarship Program provided financial support for higher education to 196 underprivileged students with disabilities from the Northeastern region of the country and 41% of the scholarship beneficiaries are girls with disabilities.

Through project FLOW- Facilitating Learning on WASH, safe water infrastructure has been provided to 60 schools across Indore, Ranchi, Bhubaneswar Panipat, Guwahati and Jammu. More than 365 awareness initiatives/campaigns/ water festivals have been organized across the schools in these 6 cities to enhance knowledge and create awareness on Water, Sanitation and Hygiene and issues associated with them. Over the past three years, these campaigns reached out to more than 787,771 students, teachers/ parents and community members.

Also, clean drinking water, however, is one the basic amenities and still have not accessible to millions of people in India across the country. Rajasthan in particular is a highly water scarcity state and large part of the rural population is dependent on ground water sources which are carrying high level of contaminants viz. Salinity, Fluoride, Nitrate. The available water quality is detrimental to the health of the population, specifically the children. Accordingly, 30 backward areas in remote villages of Rajasthan were chosen for providing clean drinking water through provision of Reverse Osmosis Plants in these areas.

For creating Livelihood opportunities for unskilled rural youth in the Telecom Sector, In the year 2017-18, Bharti Infratel launched a demand-led residential skill-development program for unskilled rural youth belonging to marginalised communities in Telecom trades, which provided them with an assurance of placement in the Telecom industry across the country. As of now, it partnered with PARFI (PanIIT Alumni Reach for India Foundation) to setup the first Telecom Gurukul (Rural residential skill centers managed by ex-Armed Forces JCOs) at Deoghar district in the State of Jharkhand. The State Government also supported the project by providing building, land and capex. NABARD and NABFINS were the other project partners who provided microfinancing to the candidates to undertake the course. As of now, a total of 162 trainees have completed their training as Tower technicians and Riggers and 153 out of these were offered placement.

Principle 5:

Human Rights

Businesses should respect and promote human rights

1. **Does the policy of the Company on human rights cover only the Company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?**

   Bharti Infratel Limited does not have a specific policy only on human rights. However, aspects of the same have been covered in Bharti's Code of Conduct, which extends to all employees and contractors, group companies, joint ventures and suppliers.

2. **How many stakeholder complaints were received in the past financial year and what percent was satisfactorily resolved by the Management?**

   One complaint with respect to non-receipt of Annual Report was received, which was duly redressed during the FY 2018-19.

Principle 6:

Environmental Management

Businesses should respect, protect, and make efforts to restore the environment

1. **Does the policies related to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?**

   The safety policy as of now is covering only the Company and its employees, contractors etc.

2. **Does the Company have strategies / initiatives to address global environmental issues, such as climate change, global warming, and others? Y/N. If yes, please give hyperlink for webpage etc.**

   Yes. The Company has pro-actively taken steps to create positive impact on the environment. We continue to stride towards being a Zero Emission Network (ZEN) organisation. Refer Natural Capital section of the Integrated Report for more details.

3. **Does the Company identify and assess potential environmental risks? Y / N**

   Yes

4. **Project(s) related to Clean Development Mechanism.**

   Currently, the company is not undertaking any project related to Clean Development Mechanism.

5. **Has the Company undertaken any other initiatives on clean technology, energy efficiency, renewable energy and so on? If yes, please give hyperlink to web page and others.**

   Yes, the Company has taken multiple initiatives towards energy efficiency and use of renewable energy at its site. Refer the Natural Capital Section of the Integrated Report for more details.

6. **Are the emissions/waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

   The Company in most of the cases is well within the permissible limits.

7. **Number of show cause / legal notices received from CPCB / SPCB, which are pending (i.e. not resolved to satisfaction) as at the end of the financial year.**

   As per the records available with the Company, there is no notice pending at the end of the financial year.

Principle 7:

Public Advocacy

Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

1. **Is your Company a member of any trade and chambers or association? If yes, name only those major ones that your business deals with.**

   The Company is inter alia a member of the following business associations:

   - Tower and Infrastructure Providers Association (TAIPA)
   - Confederation of Indian Industry (CII)
   - The Federation of Indian Chambers of Commerce and Industry (FICCI)

2. **Have you advocated / lobbied through the above associations for the advancement or improvement of public good? Yes / No; if yes, specify the broad areas (drop box: governance and administration, economic reforms, inclusive development polices, energy security, water, food security, sustainable business principles and others)**

   Whenever any consultation paper is released by TRAI and/or policy/guideline related to towers is issued by Department of Telecommunication, any State Govt. or any local authority(ies), the Company provides its inputs to the association for an appropriate representation to the regulator / respective State or local authority. Bharti Infratel Limited focuses on public policies that maximise the ability of individuals and companies to innovate, increase job creation, benefit the daily lives of people and strengthen the country's economy. We work to ensure that our public policy positions complement or advance our sustainability and citizenship objectives. Our focus is centred on the provision of robust telecom passive infrastructure at affordable price to our customers.

Principle 8:

Inclusive Growth

Businesses should support inclusive growth and equitable development

1. **Does the Company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes, provide details thereof.**

   Our business processes promote inclusion of our different stakeholders as per the requirements on ground, especially the communities that we operate in. These ensure that our people and communities at large are included and empowered through sustainable economic growth by:

   - Building a quality driven telecommunication infrastructure even in the remotest and conflict hit locations including Kashmir, North East and the Naxalite areas and thereby connecting the unconnected.
   - Generating employment on equal opportunity basis and business opportunities directly as well as indirectly, especially in rural areas wherein employment opportunities are otherwise minimal
   - Including the element of environment protection for the benefit of all communities that we operate in and ensuring awareness of the same.

The Company's contribution towards social development through its social responsibility programs and projects has slowly ensured that it enjoys the goodwill of the community that it operates in. Our focuses on multiple social concerns through a number of non-profit organizations has strengthened our reach and connect with the last mile beneficiary.

Our programs do the following on a large as well as small scale:

- Advocate on importance of quality education especially of the girl child in rural communities
- Provide sanitation infrastructure in rural areas and promote good health and well being of marginalized school students and teachers by providing safe water and sanitation infrastructure and information for sustained learning
- Train and provide employment opportunities for local youth belonging to the marginalized sections of the society as Teachers
- Provide employment opportunities for mothers of the children who study in Satya Bharti Schools as mid-day meal vendors
- Providing access to funds for students with disabilities to pursue education and lead an empowered and dignified life
- Provide need based skills and livelihood opportunities to marginalized youth living in urban slums or rural areas for their economic empowerment and to lead life with dignity

2. Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures / any other organisation?

Our partnership with our CSR project implementing partner organisations has not only helped in understanding issues in depth but we have also supported them in building their capacity, wherever required. We have been active in promoting social development programmes/projects through these partnerships at national, regional and state level. Our project implementing partners consist of in-house teams / own foundation/ external NGOs/ government structures. Education and sanitation programs at Infratel are being implemented through Bharti Foundation, The Energy and Resources Institute (TERI), Shishu Sarothi and Brookings Institute India Center. The Skill Development and livelihood programs are implemented in association with PanIIT Alumni Reach for India Foundation. Other agencies that are being supported by Infratel and its employees include SOS Village of India, Helpage India, National Association of Blind and Child Rights and You (CRY).

3. Have you done any Impact assessment of your initiative?

We conducted a third party mid-term assessment of project FLOW and Bharti Infratel Scholarship Program to ascertain the progress and impact. Other implementing partner i.e. PanIIT Alumni Reach for India Foundation will also share an impact assessment report after completion of its project timelines. In FY 18-19, Bharti infratel was awarded the Golden Peacock Award for its social initiatives and impact.

4. What is the Company's Direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

During the year 2018-2019, Bharti Infratel Limited has contributed over approximately 414 Mn towards various social development projects.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in around 50 words.

In FY 2018-19, Bharti Infratel Limited has on boarded a third party monitoring and evaluation organization, Innovative Financial Advisors Pvt. Ltd. for periodic monitoring and evaluation of 3 programmes – Bharti Infratel Scholarship Programme, FLOW (Facilitating Learning on WASH) and Telecom Gurukul. Additionally, periodic monitoring measures, meeting with beneficiaries and on ground need assessment is the basis for implementing our social development projects across different locations. Programs that are proposed to address issues like education, water & sanitation, skill development etc., have ensured involvement/participation of the community members as well. They are involved for better implementation and assessment of the projects in their respective areas. Various government departments including education, health, rural development, skill development, public relations and civil administration have also provided support for these projects. Our social initiatives are not focused only on an individual targets but looks at the holistic benefit of the community at large.

Principle 9:

Value for Customers

Businesses should engage with and provide value to their customers and consumers in a responsible manner.

1. **What percentage of customer complaints / consumer cases is pending, as on the end of the financial year?**

   Two consumer cases are pending one each in UPW and UPE. Percentage is less than 1% at the end of the financial year. Pertinently, none of these are maintainable as the complainants do not fall within the definition of consumers.

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks (additional information).**

   N.A.

3. **Cases filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behaviour during the last five years and pending as at the end of the financial year. If so, provide details thereof, in about 50 words or so.**

   No such case reported as per the records maintained by us.

4. **Did your Company carry out any consumer survey / consumer satisfaction trends?**

   Bharti Infratel Limited values its customer's voice and had actively engaged an external independent agency who has already carried out the Customer Satisfaction Survey across all customers for the FY 2018-2019.

Board's Report

Dear Members,

Your Directors are pleased to present the Thirteenth Board's Report on the business and operations of the Company together with the audited financial statements for the financial year ended March 31, 2019.

Business Overview

Bharti Infratel is a provider of tower and related infrastructure sharing services. On a consolidated basis, we are one of the largest pan-India tower infrastructure providers, based on the number of towers owned and operated by Bharti Infratel and Indus Towers, which are represented by Bharti Infratel's 42% equity interest in Indus Towers. The business of Bharti Infratel and Indus Towers is to acquire, build, own and operate towers and related infrastructure. Bharti Infratel and Indus Towers provide access to their towers primarily to wireless telecommunication service providers on a shared basis under long-term contracts. We cater to all wireless telecommunication service providers in India.

We have a nationwide presence with operations in all 22 telecommunication circles in India, with Bharti Infratel and Indus Towers having operations in 4 overlapping circles.

As of March 31, 2019, Bharti Infratel owned and operated 40,388 towers with 76,341 co-locations in 11 telecommunication circles while Indus Towers operated 1,23,546 towers with 229,483 co-locations in 15 telecommunication circles. With Bharti Infratel's towers and its 42% interest in Indus Towers, we have an economic interest in the equivalent of 92,277 towers and 172,724 co-locations in India as of March 31, 2019.

We have entered into Master Service Agreements (MSAs) with our customers. The MSAs are long-term contracts which set out the terms on which access is provided to Bharti Infratel's and Indus' towers, with all service providers being offered substantially the same terms and receiving equal treatment at towers where they have installed their active infrastructure. Under the MSAs, Bharti Infratel and Indus Towers enter into service contracts in respect of individual towers. The MSAs and service contracts govern Bharti Infratel's and Indus' relationship with their customers, the services provided, the applicable charges and incorporate annual escalation clauses in respect of the applicable charges. This provides stability to our business and provides visibility with regard to future revenues.

Financial Highlights

A. Consolidated financial results as per Ind AS

(₹ Mn)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Revenue[1]	68,262	66,212
EBITDA[1]	31,666	31,865
Profit before Tax	35,527	35,292
Profit after Tax	24,938	24,937

[1]Revenue & EBITDA are excluding other income

B. Standalone financial results as per Ind AS

(₹ Mn)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Revenue[1]	68,217	66,180
EBITDA[1]	31,680	31,854
Profit before Tax	36,651	32,270
Profit after Tax	27,790	24,139

[1]Revenue & EBITDA are excluding other income

Share Capital

During the year, there was no change in the Company's issued, subscribed and paid-up equity share capital. On March 31, 2019, it stood at ₹18,496,082,460 represented by 1,849,608,246 equity shares of ₹10 each.

Transfer to Reserves

The Company has not transferred any amount to the General Reserve for the financial year ended March 31, 2019.

Dividend

During the year, the Board, on October 24, 2018, had declared an interim dividend of ₹7.5 per equity share of ₹10 each fully paid up (75% of face value) for FY 2018-19 amounting to ₹13,872 Mn (excluding tax on dividend). The Board has also declared a 2nd interim dividend of ₹7.5 per equity share of ₹10 each fully paid up (75% of face value) for FY 2018-19 amounting to ₹13,872 Mn (excluding tax on dividend) on April 24, 2019.

Dividend Distribution Policy

As per Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations'), top 500 listed companies based on the market capitalization shall formulate a dividend distribution policy. Accordingly, the policy was adopted by the Board of Directors of the Company to set out the parameters and circumstances that will be taken into account by the Board in determining the distribution of dividend to its shareholders and / or retaining profits earned by the Company. The Dividend Distribution Policy is available on the Company's website at www.bharti-infratel.com and is annexed as Annexure A to this report.

Fixed Deposits

The Company has not accepted any fixed deposit and as such no amount of principal or interest was outstanding as on the date of balance sheet.

Significant Developments

Amalgamation of Indus Towers Limited with and into Bharti Infratel Limited

The Board of Directors of the Company had at its meeting held on April 24, 2018, approved amalgamation of Indus Towers Limited into and with the Company (Infratel) subject to necessary statutory and other approvals as maybe required to create a pan-India listed tower Company, with over 163,000 towers operating across all 22 telecom service areas in India.

Key Highlights of the merger are:

- The merged Company will fully own the business of Bharti Infratel and Indus Towers. Its name will be changed to Indus Towers Limited and it will continue to be listed on the BSE Limited and National Stock Exchange of India Limited.
- The merged Company will be governed by a shareholders' agreement. Bharti Airtel (existing promoter) and Vodafone Group will jointly control the merged Company.
- Share exchange ratio considered for the purpose of merger scheme is consistent with recommendations of independent valuer which has been opined to be fair by merchant bankers.
- The Board of the merged Company will be re-constituted in accordance with the shareholders' agreement and the Chairman of the Board will be an independent director.
- The combination of the two companies' highly complementary footprints will create a tower operator with the ability to offer the high quality shared passive infrastructure services needed to support the pan-India expansion of wireless broadband services using 4G+/5G technologies for the benefit of Indian consumers and businesses.

The Company has received approval from the Competition Commission of India (CCI) on June 29, 2018 and has also received no-objection from BSE Limited and National Stock Exchange of India Limited on July 24, 2018. The Equity Shareholders and Unsecured Creditors of the Company have approved the amalgamation in their respective meetings held on February 2, 2019. Subsequently, an application for sanction of the scheme has been filed with National Company Law Tribunal, Chandigarh Bench ("NCLT") and has been admitted. The Scheme shall become effective upon receipt of necessary approvals and other condition precedents.

Directors and Key Managerial Personnel

Induction, Re-appointment and Resignation

Anita Kapur (DIN: 07902012) was appointed as an Independent Director of the Company by the shareholders at the last Annual General Meeting (AGM) of the Company held on July 24, 2018. She will hold the office for a term of five years i.e. up till January 16, 2023.

Pursuant to the provisions of the Companies Act, 2013, D S Rawat (DIN: 06798626), Director of the Company will retire by rotation at the ensuing AGM and being eligible, has offered himself for re-appointment. The Board recommends his re-appointment as Director at the ensuing AGM.

Sanjay Nayar (DIN: 00002615), Non-Executive Director of the Company has resigned from the Board w.e.f. conclusion of Board meeting dated January 23, 2019. The Board placed on record its sincere appreciation for the guidance and contribution made by him during his tenure on the Board.

Pursuant to the provisions of Section 161 and other applicable provisions of the Companies Act, 2013 and applicable provisions of the Listing Regulations and as recommended by HR, Nomination and Remuneration Committee, Prakul Kaushiva (DIN: 08285582), was appointed as an Additional Director in the capacity of a Non-Executive Director w.e.f January 24, 2019. He will hold office upto the date of ensuing AGM. The Company has received requisite notice from a member under Section 160 of the Companies Act, 2013 proposing the appointment of Prakul Kaushiva as Director, liable to retire by rotation. The Board recommends his appointment as a Director liable to retire by rotation at the ensuing AGM.

Bharat Sumant Raut (DIN: 00066080), Jitender Balakrshnan (DIN: 00028320), Leena Srivastava (DIN: 00005737) and Narayanan Kumar (DIN: 00007848) have completed their present terms as Independent Directors of the Company on March 31, 2019. On the recommendation of the HR, Nomination and Remuneration Committee, the Board in its meeting held on January 23, 2019 subject to the approval of shareholders, has re-appointed them as Independent Directors for a further term of five years w.e.f. April 01, 2019. The Board recommends their re-appointment at the ensuing AGM.

Brief resumes, nature of expertise, disclosure of relationships between directors inter-se, details of directorships and Committee membership held in other companies of the Directors proposed to be appointed/ re-appointed, along with their shareholding in the Company, as stipulated under Secretarial Standard- 2 and Regulation 36 of the Listing Regulations, is appended as an Annexure to the Notice of the ensuing AGM.

Pankaj Miglani, Chief Financial Officer has resigned w.e.f. August 9, 2018. The Directors placed on record their appreciation for the contribution made by him during his tenure. The Board in its meeting held on June 22, 2018 has appointed Subramanian Balasubramanian as the Chief Financial Officer of the Company w.e.f. August 10, 2018.

Declaration by Independent Directors

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under Section 149 of the Companies Act, 2013 and Regulation 16 & 25 of the Listing Regulations. The Independent Directors have also confirmed that they have complied with the Company's code of conduct.

Policy on Nomination, Remuneration and Board Diversity

The Company believes that building a diverse and inclusive culture is integral to its success. A diverse Board will be able to leverage different skills, qualifications, professional experiences, perspectives and backgrounds, which is necessary for achieving sustainable and balanced development. The Board has adopted a Policy on Nomination, Remuneration and Board Diversity, which sets out the criteria for determining qualifications, positive attributes and independence of a Director. The detailed policy is available on the Company's website at http://www.bharti-infratel.com/cps-portal/web/pdf/Policy%20on%20Nomination,%20Remuneration%20and%20Board%20Diversity%20update.pdf and is annexed as Annexure B to this report.

Annual Board Evaluation and Familiarisation Programme for Board Members

A note on the familiarisation programme adopted by the Company for orientation and training of the Directors, and the Board Evaluation process undertaken in compliance with the provisions of the Companies Act, 2013 and Listing Regulations is provided in the Report on Corporate Governance, which forms part of this Integrated Report.

The HR, Nomination and Remuneration Committee, in consultation with external agency hired for the purpose of Board Evaluation, has put in place a robust framework for evaluation of the Board, Board Committees and Individual Directors. Customized questionnaires were circulated, responses were analyzed and the results were subsequently discussed by the Board. Recommendations arising from the Evaluation process were duly considered by the Board to further augment its effectiveness. A detailed update on the Board Evaluation is provided in the report on Corporate Governance which forms part of this Integrated Report..

Board Meetings

During FY 2018-19, the Board of Directors met 6 times i.e. on April 23, 2018; April 24, 2018; June 22, 2018; July 25, 2018; October 24, 2018 and January 23, 2019. The period between any two consecutive meetings of the Board of Directors of the Company was not more than 120 days.

The details regarding composition, number of Board meetings held and attendance of the Directors during FY 2018-19 are set out in the Report on Corporate Governance which forms part of this Integrated Report.

Board Committees

The Company has several Board Committees which have been established as part of the best corporate governance practices and are in compliance with the requirements of the relevant provisions of applicable laws and statutes. As on March 31, 2019, the Board has 5 Committees, namely, Audit & Risk Management Committee; HR, Nomination and Remuneration Committee; Corporate Social Responsibility (CSR) Committee; Stakeholders' Relationship Committee and Committee of Directors. The details with respect to the composition, powers, roles, terms of reference, number of meetings etc. of the Committees held during the FY 2018-19 and attendance of the members at each Committee meeting is provided in the Report on Corporate Governance which forms part of this Integrated Report.

All the recommendations made by the Committees of the Board including the Audit & Risk Management Committee were accepted by the Board.

Subsidiary/ Joint Venture/ Associate Company

As on March 31, 2019, the Company has a wholly owned subsidiary named Smartx Services Limited. The Company has a joint venture named Indus Towers Limited which is in the process of amalgamating with the Company.

In accordance with Section 129(3) of the Companies Act, 2013, the Company has prepared consolidated financial statements of the Company, its subsidiary and joint venture, which forms part of the Integrated Report. A statement in Form AOC- 1, containing the salient features of the financial statements of the subsidiary and Joint Venture Company is annexed as Annexure C to this report. The statement also provides the details of performance and financial position of the subsidiary and joint venture.

Audited financial statements of Smartx Services Limited for FY 2018-19 have been placed on the website of the Company, www.bharti-infratel.com. The audited financial statements of the subsidiary company is available for inspection at the Company's registered office and registered office of the subsidiary company. Shareholders interested in obtaining a copy of the audited financial statements of subsidiary company may write to the Company Secretary at the Company's registered office.

Human Resources

At Bharti Infratel, we believe people excellence is the foundation for building a culture of service excellence. Our aim is to sustain our fervor as an employer of choice and we have outlined our key focus areas during the year to achieve that goal.

We completed 11 glorious years of our establishment last year. For an eleven year old organization growing at a steady pace, it is important that the organization culture is well defined and articulated amongst all employees. Infratel is a B2B company with little or no brand presence for the end customer. It is therefore imperative for us to make our presence felt as a preferred employer to potential employee segments enabling us to attract and retain the 'right' fits from across industries. We realized that the first step to creating an employer brand was to define and articulate the culture for Bharti Infratel which will be our USP and differentiating factor as a brand for external and internal employees. We therefore conducted a study not only to define and articulate the culture at Bharti Infratel but also create a transformation roadmap for enabling change and aligning our systems and processes to the organization and leadership expectation. The clear themes emerging out of the study were around Collaboration, People Orientation and Innovation.

Safety is viewed as a key parameter to demonstrate commitment to our people and the community at large. It is an integral part of our decision-making and is the prime consideration in all spheres of our activities. We have an effective Safety Policy in place that strives for zero fatality and prevents all workplace injuries. In order to ensure safe work practices, Cardinal Safety Rules and Consequence Management Matrix have been framed and implemented. This year to drive better awareness and consciousness on Safety we observed National Safety Week from March 4th-11th, through Slogan contest, poster making, Safety quiz, My Safety Story, etc. Safety Training continues to be an area of focus where we ensure all new joiners complete mandatory safety training and existing employees go through refresher training.

With employee strength of nearly 1235 (on Standalone basis) spread across our 11 circles and 74 zones, Last Mile Connect continues to be critical to drive and uphold employee motivation, engagement and loyalty. Connect forums & open house sessions were held across locations. The teams were recognized for their efforts and they were made aware of the processes and policies. Special emphasis was placed towards induction and orientation of new employees.

In our continued endeavor to increase the Gender Diversity within the organization, we took an atypical route to attract women talent both at the field and non-field roles. We were successful in creating an audio visual depicting the opportunities, challenges and the work environment that we provide to our employees. We have seen positive traction with the overall Diversity Numbers move from 9.4% to 10.4% and with field roles Diversity number improving from 11% to 16%. In order to retain our women talent, there in on-going effort to conduct Gender Sensitization workshops across geographies to increase awareness about the individual differences that both sexes bring to work. The two pronged approach of attraction and retention has shown sustainable results.

To enable employees to take onus of their development, Infratel has partnered with Lynda - LinkedIn Learning for accessing world class content on the go! This was a revolutionary step as with digitalization, employees can fulfil multi-level skill development by advancing from basic to expert level for any particular skill at his/her own pace. With 98% activation rate of Linkedin Learning, employees have been accessing customized learning paths to fulfil individual capability gaps. While new employees receive training to familiarize them with our operations and processes, the existing employees were trained to enhance their efficiency levels by classroom interventions, e-learning programs, coaching, external certifications, Management Development Programs from elite institutes like ISB, IIMs. With our continuous commitment towards holistic development of our employees, we recognise that there are other sources of professional development in addition to internal trainings by way of sponsored diploma/ degree qualification upskilling. At Infratel, we strongly believe in empowering our employees through taking charge of their career and development, thereby co- creating their own individual trajectories. 100% of the employees who had self-nominated for developmental interventions were trained in FY 2018-19. 100% mandatory e-learning compliance has been ensured for FY 2018-19.

Employees Stock Option Plan

To retain, promote and motivate the best talent in the Company and to develop a sense of ownership among employees, the Company has instituted two ESOP schemes i.e. Employee Stock Option Scheme 2008 (ESOP Scheme 2008) and Employee Stock Option Scheme 2014 (ESOP Scheme 2014) with the approval of shareholders. The said schemes are in compliance with the SEBI (Share based Employee Benefits) Regulation, 2014, (ESOP Regulations). The HR, Nomination and Remuneration Committee monitors the Company's ESOP schemes.

In accordance with the ESOP Regulations, the Company had set up Bharti Infratel Employees' Welfare Trust (ESOP Trust) for the purpose of implementation of ESOP Schemes. Both the ESOP schemes are administered through ESOP Trust, whereby shares held by the ESOP Trust are transferred to the employees, upon exercise of stock options as per the terms of the Scheme. In terms of ESOP Regulations, neither the ESOP Trust nor any of its trustees shall exercise voting rights in respect of the shares of the Company held by the ESOP Trust.

During FY 2018-19, Company has granted 157,708 stock options under the ESOP Scheme 2014. A detailed report with respect to options exercised, vested, lapsed, exercise price, vesting period etc. under ESOP Scheme 2008 and ESOP Scheme 2014 is disclosed on the website of the Company at http://www.bharti-infratel.com/cps-portal/web/shares.html.

A certificate from M/s Deloitte Haskins & Sells LLP, Chartered Accountants, Statutory Auditors, with respect to ESOP Scheme 2008 and ESOP Scheme 2014 would be placed before the shareholders at the ensuing AGM and a copy of the same will also be available for inspection at the registered office of the Company.

Auditors and Auditors' Report

Statutory Auditors & their Report

In terms of the provisions of Section 139 of the Companies Act, 2013, M/s Deloitte Haskins & Sells LLP, Chartered Accountants, (firm registration number 117366W-W100018) ('Deloitte') were appointed as the Statutory Auditors of the Company by the shareholders in the 11th AGM of the Company for a period of five years i.e. up to 16th AGM, subject to the ratification of appointment by members at every AGM. The requirement to place the matter relating to ratification of appointment by members at every AGM has been done away by the Companies (Amendment) Act, 2017 w.e.f. May 7, 2018. The Board has duly examined the Statutory Auditor's Report on the Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2019 by M/s Deloitte Haskins & Sells LLP, Chartered Accountants, which is self-explanatory. The report does not contain any observations, disclaimer, qualification or adverse remarks.

Further, no fraud has been reported by the Statutory Auditors in terms of Section 143(12) of the Companies Act, 2013 during the year.

Secretarial Auditor & their Report

The Company had appointed M/s. Chandrasekaran Associates, Company Secretaries, New Delhi, to conduct its Secretarial Audit for the financial year ended March 31, 2019. The Secretarial Auditor has submitted its Report, confirming compliance by the Company of all the provisions of applicable corporate laws. The Report does not contain any qualification, observation, disclaimer or adverse remark. The Secretarial Audit Report for the FY 2018-19 is annexed as Annexure D to this report.

The Board has re-appointed M/s. Chandrasekaran Associates, Company Secretaries, New Delhi, as Secretarial Auditor of the Company for the FY 2019-20.

Corporate Social Responsibility

At Bharti Infratel, CSR has become embedded with its business operation and our employees also participate with great enthusiasm in creating a positive social change and supporting our ground level interventions through volunteering. The objective of Company's CSR initiatives is to improve the quality of life of communities through long term value creation for all stakeholders. Our social initiatives include providing education to underprivileged children in rural areas across several geographies, scholarship support to students with disabilities to pursue or continue higher education of their choice, providing safe water and sanitation facilities in rural and urban areas and schools, creating awareness on water, sanitation and hygiene, skilling unemployed youth belonging to marginalized communities and supporting research on education & environment sustainability challenges to suggesting policy mechanisms for improving the education scenario and sustainability of renewable energy.

Our CSR project beneficiaries have become a part of our larger family of stakeholders and the change these interventions have brought to their lives has been very encouraging – a skilled youth can now be more hopeful of getting a job and becoming economically independent, a girl child in a rural area can dream of pursuing education of her choice, a student with disability can break barriers of inaccessibility to scale new heights in education, explore new professions and no longer remain an invisible minority. Our work towards social development through CSR encompasses much more than just social outreach programs. We also maintain and align our business processes and goals to make a more deep-rooted impact on the society's sustainable development.

In accordance with the requirements of Section 135 of the Companies Act, 2013, the Company has constituted a CSR Committee. The composition and terms of reference of the CSR Committee is provided in the Report on Corporate Governance, which forms part of this Integrated Report. The Company has also formulated a Corporate Social Responsibility Policy, which is available on the Company's website at https://www.bharti-infratel.com/cps-portal/web/pdf/Corporate%20Social%20Responsibility%20Policy_07062018.pdf.

During the year, the Company has spent approximately ₹414 Mn (1.88% of the net profit of last three years) on the CSR activities. As a socially responsible Company, the Company is persistently exploring new opportunities to increase its CSR expenditure to the prescribed level to create larger social impact. With this view, the Company has identified and implemented a new project during the year under review. The Board, on the recommendation of the CSR Committee, has allocated ~ ₹440 Mn (2% of the net profits) towards various CSR projects for FY 2018-19. Since, the new project was identified for implementation during the later part of the year, the entire allocated amount was not disbursed pending the stage of implementation of the new project. The Company is fully committed to the government's vision of corporate's social responsibility towards the society and is taking all the efforts for India's sustainable development by embedding wider economic, social and environment objectives.

A detailed update on the CSR initiatives of the Company is provided in the Corporate Social Responsibility section, which forms part of this Integrated Report. The Annual Report on Corporate Social Responsibility u/s 135 of the Companies Act, 2013 is annexed as Annexure E to this Report.

Integrated Reporting

SEBI vide circular dated February 6, 2017 has recommended voluntary adoption of Integrated Reporting (IR) from 2017-18 by the top 500 listed companies in India. In line with its philosophy of being a highly transparent and responsible company and considering IR as a journey, the Company adopts 'Integrated Report' in accordance with the International Integrated Reporting Council (IIRC) framework. The Integrated Report covers capital approach of IIRC Framework as well as the value that your Company creates for its stakeholders.

Business Responsibility Report

As stipulated under the Listing Regulations, the Business Responsibility Report, describing the initiatives taken by the Company from environmental, social and governance perspective forms a part of this Integrated Report.

Management Discussion and Analysis Report

The Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 of the Listing Regulations, is presented in a separate section, forming part of this Integrated Report.

Corporate Governance

The Company is committed to benchmark itself with global standards for providing good corporate governance. The Board constantly endeavors to take the business forward in such a way that it maximizes long term value for the stakeholders. The Company has put in place an effective corporate governance system which ensures that the provisions of Listing Regulations are duly complied with.

A detailed report on the corporate governance pursuant to the requirements of the Listing Regulations forms part of this Integrated Report.

A certificate from the auditors of the Company, M/s Deloitte Haskins & Sells LLP, Chartered Accountants, confirming compliance of conditions of corporate governance as stipulated in Listing Regulations is annexed as Annexure F to this report.

Risk Management

Risk management is embedded in Bharti Infratel's operating framework. The Company believes that risk resilience is key to achieving higher growth. To this effect, there is a robust process in place to identify key risks across the Company and prioritize relevant action plans to mitigate these risks. Risk Management framework is reviewed periodically by the Board and the Audit & Risk Management Committee, which includes discussing the management submissions on risks, prioritizing key risks and approving action plans to mitigate such risks.

The Company has duly approved a Risk Management Policy. The objective of this Policy is to have a well-defined approach to risk. The policy lays down broad guidelines for timely identification, assessment and prioritization of risks affecting the Company in the short and foreseeable future. The Policy suggests framing an appropriate response action for the key risks identified, so as to make sure that risks are adequately addressed or mitigated.

The Internal Audit function is responsible to assist the Audit & Risk Management Committee on an independent basis with a complete review of the risk assessment and associated management action plans.

Operationally, risk is being managed at the top level by Executive Committee, chaired by the Managing Director & Chief Executive Officer and at operating level by Executive Committees of Circles headed by Circles Business Head.

Detailed discussion on Risk Management forms part of Management Discussion & Analysis under the section 'Risks and Concerns', which forms part of this Integrated Report. At present, in the opinion of the Board of Directors, there are no risks which may threaten the existence of the Company.

Internal Financial Control and their adequacy

The Company has established a robust framework for internal financial controls. The Company has in place adequate controls, procedures and policies, ensuring orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records, and timely preparation of reliable financial information. During the year, such controls were assessed and no reportable material weaknesses in the design or operation were observed. Accordingly, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2018- 19. The Internal financial controls of the Company have been further discussed in detail in the Management Discussion & Analysis section.

Vigil Mechanism

The Code of Conduct and vigil mechanism of the Company is available on the Company's website at www.bharti-infratel.com.

A brief note on the highlights of the Whistleblower Policy and compliance with Code of Conduct is also provided in the Report on Corporate Governance which forms part of this Integrated Report.

Quality Control

Quality Control continues to be an important driving force behind customer delight through achievement of high uptime and decreasing energy cost across our footprint.

We continue to fine tune our quality strategies in line with our aim of ensuring First Time Right. The multi-pronged strategies have been refined in line with changing field scenarios. We continue to undertake pre-dispatch inspection of all major and minor material. Stage inspection of on-site work is being undertaken by on-roll quality engineers for 100% of all new build sites and upgrades. Quality audits by independent agencies on a regular basis ensures additional controls. Preventive maintenance audits, process and design improvement and control ensures standardization and quality of workmanship. This has augmented operations and maintenance efforts throughout the lifecycle.

We have continued major projects such as tower maintenance, foundation strengthening and creation of as-built site drawings and have integrated the site data on a central platform "One View". Last year we ensured automated quality submissions, ensembling as built drawing details into One View and initiated thermographic camera trial to improve site safety and equipment life. The referred activities have transformed the output and resulted in one of the highest quality KPI achievement during past years.

A major exercise was instituted this year for asset re-use post refurbishment and inspection towards improving asset utilization, conversion of in-door sites to outdoor for energy costs reduction and electrification of un-electrified sites. This has helped us in our continuous strive towards higher utilization and lower costs, lower energy consumption, lower network outages and improved P&L's for both operator and us.

Other Statutory Disclosures

Related Party Transactions

A detailed note on procedure adopted by the Company in dealing with contracts and arrangements with Related Parties is provided in the Report on Corporate Governance, which forms part of this Integrated Report.

All arrangements / transactions entered by the Company with its Related Parties during the year were in ordinary course of business and on an arm's length basis. Particulars of material related party transactions are given in form AOC- 2 as Annexure G to this report.

Names of Related Parties and details of transactions with them under Ind AS – 24 have been included in Note no. 42 of the standalone financial statements for the year ended March 31, 2019 on page 302.

The Policy on the Related Party Transactions is available on the Company's website.

Significant and material orders

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future.

Material changes and commitments affecting financial position between the end of financial year and date of the report

There are no material changes and commitments affecting the financial position of the Company between the end of financial year and date of the report.

Particulars of loans, guarantees or investments

The details of loans given, investments made or guarantees given are provided in Note no. 7, 8 and 15 of the Standalone financial statements for the year ended March 31, 2019.

Particulars of Employees

Disclosures relating to remuneration of Directors u/s 197(12) of the Companies Act, 2013 read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as Annexure H to this report.

The information as required to be provided in terms of Section 197 (12) of the Companies Act, 2013 read with Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as Annexure I to this report.

Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

The details of energy conservation, technology absorption and foreign exchange earnings and outgo as required under Section 134(3) of the Companies Act, 2013, read with the Rule 8 of Companies (Accounts) Rules, 2014 is annexed herewith as Annexure J to this report.

Disclosure under Section 197(14) of Companies Act, 2013

Neither the Managing Director & CEO nor the Chairman & Whole-time Director of the Company receive any remuneration or commission from its holding or subsidiary company.

Extract of Annual Return

In terms of provisions of Section 92, 134(3)(a) of the Companies Act, 2013 read with Rule 12 of Companies (Management And Administration) Rules, 2014, the extract of Annual Return of the Company in form MGT-9 is annexed as Annexure K to this report.

Sexual Harassment of Women at Workplace

The Company has an Internal Complaints Committee for providing a redressal mechanism pertaining to sexual harassment of women employees at work place. Details of the same including the details of the complaints received is provided in the Report on Corporate Governance, which forms part of this Integrated Report.

Secretarial Standards

Pursuant to the provisions of Section 118 of the Companies Act, 2013, the Company has complied with the applicable provisions of the Secretarial Standards issued by the Institute of Companies Secretaries of India.

Directors' Responsibility Statement

Pursuant to Section 134(5) of the Companies Act, 2013, the Directors to the best of their knowledge and belief confirm that:

I. In the preparation of the annual accounts for the year ended March 31, 2019, the applicable accounting standards had been followed and there is no material departure from the same;

II. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended March 31, 2019 and of the profit of the Company for the year ended on that date;

III. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

IV. The Directors had prepared the annual accounts on a 'going concern basis';

V. The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively;

VI. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and are operating effectively.

Acknowledgements

The Directors wish to place on record their appreciation for the assistance and co-operation extended by customers, strategic investors, shareholders, bankers, vendors, business partners, various agencies and departments of Government of India and State governments where Company's operations are existing, supporting the Company's various projects.

The Directors would also like to place on record their sincere appreciation for the valuable contribution, unstinted efforts and the spirit of dedication shown by the employees of the Company at all levels in ensuring an excellent all round operational performance.

For and on behalf of the Board

Date: April 24, 2019
Place: New Delhi

Akhil Gupta
Chairman
DIN: 00028728

Annexure A

Dividend Distribution Policy

1. Preamble, Objective and Scope

In terms of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the Company is required to formulate a Dividend Distribution Policy which shall be disclosed in its Annual Report and on its website.

To comply with the above requirement and with an endeavour to maintain a consistent approach to dividend pay-out plans, the Board of Directors ('Board') of Bharti Infratel Limited ('the Company') adopts this Dividend Distribution Policy ('Policy').

The objective of this Policy is to:

(i) specify the parameters (including internal and external factors) that shall be considered while declaring the dividend;

(ii) lay down the circumstances under which the shareholders of the Company may or may not expect dividend; and

(iii) provide for the manner of utilization of retained earnings.

2. Dividend Philosophy

The Company intends to have a total distribution payout (including any dividend and/or any other form of distribution and related taxes, cess, levies, if any relating to the dividend or distribution) between 60% to 80% of net profit of the Company for the year; or 100% of any dividend or distribution received by the Company from its investee company (ies), whichever is higher, subject to the Company retaining adequate liquidity to take care of planned business activities and expansion plans including capital expenditure and other use of such funds including, but not limited to, any debt servicing requirements, acquisitions, and ensuring an acceptable credit rating, as may be determined, by the Board from time to time.

3. Parameters/Factors considered by the Company while declaring dividend

In line with the philosophy stated in clause 2 above, the Board of Directors of the Company shall consider the following parameters before declaring or recommending dividend to shareholders:

A) Financial Parameters / Internal Factors:

(a) Financial performance including profits earned (standalone), available distributable reserves etc;

(b) Impact of dividend payout on Company's return on equity, while simultaneously maintaining prudent and reasonably conservative leveraging in every respect viz. interest coverage, DSCR (Debt Service Coverage Ratio) Net Debt: EBITDA and Net debt: Equity, including maintaining a targeted rating – domestically and internationally;

(c) Alternate usage of cash viz. acquisition/Investment opportunities or capital expenditures and resources to fund such opportunities/expenditures, in order to create significantly higher returns for shareholders;

(d) Debt repayment schedules;

(e) Fund requirement for contingencies and unforeseen events with financial implications;

(f) Past Dividend trend including Interim dividend paid, if any; and

(g) Any other factor as deemed fit by the Board.

B) External Factors:

(a) **Macroeconomic conditions:** In the event of uncertain or recessionary economic and business conditions, the Board may consider retaining a larger part of the profits to have sufficient reserves to absorb unforeseen circumstances;

(b) **Statutory requirements:** Statutory requirements, regulatory conditions or restrictions as applicable including tax laws, the Companies Act, 2013 and SEBI regulations etc;

(c) **Agreements with Lending Institutions:** The Board may consider protective covenants in a bond indenture or loan agreement that may include leverage limits and restrictions on the payment of cash dividends in order to preserve the Company's ability to service its debt; and

(d) **Capital Markets:** In favorable market scenarios, the Board may consider for liberal pay-out. However, it may resort to a conservative dividend pay-out in case of unfavorable market conditions.

4. Circumstances under which the shareholders of the Company may or may not expect dividend

There may be certain circumstances under which the shareholders of the Company may not expect dividend, including the circumstances where:

(a) The Company proposes to utilise as per our policy, surplus cash in entirety for alternative forms of distribution such as buy-back of securities;

(b) The Company has sufficient avenues to generate significantly higher returns on such 'surplus' than what a common shareholder can generate himself;

(c) The Company is in higher need of funds for acquisition/ diversification / expansion / investment opportunities / deleveraging or capital expenditures; or is

(d) The Company has incurred losses or in the stage of inadequacy of profits.

5. Utilization of retained earnings

The profits retained by the Company (i.e. retained earnings) shall either be used for business purposes/ objects mentioned in its Memorandum & Articles of Association or shall be distributed to the shareholders.

6. Parameters with regard to various classes

Presently, the issued and paid-up share capital of the Company comprises of equity shares only. In case, the Company issues other kind of shares, the Board may suitably amend this Policy.

7. General

This Policy will be reviewed at least once every 3 years. The Chief Investor Relations Officer and the Company Secretary are jointly authorized to amend the Policy to give effect to any changes / amendments notified by Ministry of Corporate Affairs, Securities and Exchange Board of India or any appropriate authority from time to time. Such amended policy shall be periodically placed before the Board for noting and ratification. Any questions and clarifications relating to this Policy should be addressed to the Company Secretary at compliance.officer@bharti-infratel.in.

Annexure B

Policy on Nomination, Remuneration and Board Diversity

Preamble

The Board of Directors (the "Board") on the recommendation of the HR, Nomination and Remuneration Committee (the "Committee") has approved and adopted this Nomination, Remuneration and Board Diversity Policy (the "Policy") in compliance with the provisions of Section 178 of the Companies Act, 2013 and rules made thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

Objectives

The main objectives of this Policy are:

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive including Independent Directors), Key Managerial Personnel ("KMP") and persons who may be appointed in senior management positions.
- To lay down criteria for determining the Company's approach to ensure adequate diversity in its Board.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage for the Company.
- To determine remuneration of Directors, KMPs and other senior management personnels keeping in view all relevant factors including industry trends and practices.
- To provide for rewards linked directly to their effort, performance, dedication and achievement of Company's targets.

A. Attributes, qualifications and diversity

Directors and Key Managerial Personnel

The Committee shall be responsible for identifying a suitable candidate for appointment as Director or as KMP of the Company.

The Board shall consist of such number of Directors as is necessary to effectively manage the Company of the size and nature as of Bharti Infratel Limited, subject to a minimum of 6 and maximum of 15, including woman Directors. The Board shall have an appropriate combination of executive and non-executive directors with at least one independent woman director. The Company shall appoint a Chairman, and a Managing Director or CEO. The role of the Chairman, and Managing Director or Chief Executive Officer shall not be exercised by the same individual.

While evaluating a person for appointment / re-appointment as Director or as KMP, the Committee shall consider and evaluate number of factors including but not limited to background, knowledge, skills, abilities (ability to exercise sound judgement), professional experience & functional expertise, educational and professional background, personal accomplishment, age, experience, understanding of the telecommunication sector / industry, marketing, technology, finance and other disciplines relevant to the business etc. and such other factors that the Committee might consider relevant and applicable from time to time towards achieving a diverse Board.

The Committee shall ensure that the proposed Director satisfies the following additional criteria:

- Eligible for appointment as a Director on the Board of the Company and is not disqualified in terms of Section 164 and other applicable provisions of the Companies Act, 2013 and the Listing Regulations.
- Has attained minimum age of 25 years and is not older than 70 years.
- Does not hold Directorship in more than 20 companies (including private and public limited companies) or 10 public limited companies incorporated in India. Also, he shall not hold directorship in more than 8 listed companies.

  For the purpose of the above, the count for the number of listed entities on which a person is a director shall be only those whose equity shares are listed on a stock exchange.
- Will be able to devote sufficient time and efforts in discharge of duties and responsibilities effectively.

While evaluating a person for appointment / re-appointment as an Independent Director, the Committee shall ensure that the proposed appointee satisfies the following additional criteria:

- Meet the baseline definition and criteria of "independence" as set out in Section 149 of the Companies Act, 2013, the Listing Regulations and other applicable laws.
- Should not hold the position of Independent Director in such number of listed companies and if serving as Whole-Time Director/ Managing Director in any listed company then in not more than such number of listed companies as may be prescribed in the Listing Regulations.

  For the purpose of the above, the count for the number of listed companies on which a person is an independent director shall be only those Indian entities whose equity shares are listed on a stock exchange.
- Should not hold any board / employment position with a competitor in the geographies where the Company is operating. However, the Board may in special circumstances waive this requirement.

The re-appointment / extension of term of any board members shall be on the basis of their performance evaluation report.

Senior Management

While evaluating a person for appointment / re-appointment in a senior management position, the management shall consider various factors including individual's background, competency, skills, abilities (viz. leadership, ability to exercise sound judgement), educational and professional background, personal accomplishment, age, relevant experience and understanding of related field viz. marketing technology, finance or such other discipline relevant to present and prospective operations of the Company.

"Senior Management", for the purpose of this Policy, means personnel of the Company who are members of its core management team excluding Board of Directors, comprising all members of the management one level below the chief executive officer/managing director/whole time director/ manager and shall specifically include company secretary and chief financial officer.

B. Remuneration Policy

Board Members

The overall limits of remuneration of the Board Members including Executive Board members (i.e. Managing Director, Whole-Time Director, Executive Directors etc.) are governed by the provisions of Section 197 of the Companies Act, 2013, rules made thereunder and shall be approved by the shareholders of the Company and shall be subject to availability of profits of the Company.

Within the overall limit approved by the shareholders, on the recommendation of the Committee, the Board shall determine the remuneration. The Board can determine different remuneration for different Directors on the basis of their role, responsibilities, duties, time involvement etc.

Non-Executive Directors including Independent Directors

Pursuant to the provisions of Section 197 of the Companies Act, 2013, rules made thereunder and the shareholders' approval, the Board has approved the following remuneration:

(i) Non-Executive Directors: Profit linked commission of ₹ 750,000/- per annum.

(ii) Independent Directors: Profit linked commission of ₹ 1,500,000/- per annum.

(iii) Chairman of Audit & Risk Management Committee - Additional profit linked commission of ₹ 500,000/- per annum.

- The commission is payable annually after approval of the financial results for the year.
- The payment of commission is prorated to the number of meetings attended by the Directors in which quarterly results are considered and approved.

Executive Board Members (Managing Director, Whole-Time Director, Executive Directors etc.)

The remuneration (including revision in the remuneration) of Executive Board members shall be approved by the Board on the basis of the recommendation of HR, Nomination and Remuneration Committee.

The remuneration payable to Executive Directors shall consist of (a) Fixed Pay, which is payable monthly, and shall include basic pay, contributions to retirement benefits, house rent allowance or company-leased accommodation and other allowances as per the Company's policy (b) Variable Pay (paid at the end of Financial Year) directly linked to the performance of the individual employee (i.e. achievement against pre-determined KRAs), his / her respective Business Unit and the overall company's performance (c) Long term incentive/ ESOPs as may be decided by the Committee from time to time.

Remuneration to Key Managerial Personnel (other than Managing Director and Whole-Time Director), Senior Management and other employees

The remuneration payable to Key Managerial Personnel (other than Managing Director and Whole Time Director) and Senior Management, in whatever form, shall be recommended to the Board by the HR, Nomination and Remuneration Committee.

The remuneration payable to key managerial personnel (other than Managing Director and Whole- Time Director), senior management and other employees shall consist of (a) Fixed Pay, which is payable monthly and include basic pay, contributions to retirement benefits, house rent allowance or company-leased accommodation and other allowances as per the Company's policy (b) Variable Pay (paid at the end of Financial Year) directly linked to the performance of the individual employee (i.e. achievement against pre-determined KRAs), his / her respective business unit and the overall Company performance (c) Long term incentive / ESOPs as may be decided by the Committee from time to time.

Disclosures by the Company

This Policy shall be disclosed in the Company's annual report.

General

The Chief Human Resource Officer and Company Secretary are jointly authorised to amend the Policy to give effect to any changes / amendments notified by Ministry of Corporate Affairs or Securities and Exchange Board of India. The amended policy shall be placed before the Board for noting and ratification. Any questions and clarifications relating to this Policy should be addressed to the Company Secretary at compliance.officer@bharti-infratel.in.

Annexure C

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

1.	Sl. No.	1 (One)
2.	Name of the subsidiary	Smartx Services Limited
3.	The date since when subsidiary was acquired	September 21, 2015
4.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	April 1, 2018 to March 31, 2019
5.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	NA
6.	Share capital	₹30 Mn
7.	Reserve & Surplus	₹(21) Mn
8.	Total assets	₹325 Mn
9.	Total Liabilities	₹316 Mn
10.	Investments	Nil
11.	Turnover	₹53 Mn
12.	Profit/(loss) before taxation	₹(35) Mn
13.	Provision for taxation	₹9 Mn
14.	Profit/(loss) after taxation	₹(26) Mn
15.	Proposed Dividend	Nil
16.	% of shareholding	100%

1. Names of subsidiaries which are yet to commence operations: Nil
2. Names of subsidiaries which have been liquidated or sold during the year: Nil

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Part "B": Associates and Joint Ventures

	Name of Associates/Joint Ventures	Indus Towers Limited
1.	Latest audited Balance Sheet Date	March 31, 2019
2.	Date on which the Associate or Joint Venture was associated or acquired	December 17,2007
3.	Shares of Associate/Joint Ventures held by the company on March 31, 2019	
	(i) No.	500,504 equity shares
	(ii) Amount of Investment in Associates/Joint Venture at Cost	₹60,419 Mn
	(iii) Extend of Holding %	42%
4.	Description of how there is significant influence	Bharti Infratel Limited holds 42% equity stake in Indus Towers Limited
5.	Reason why the associate/joint venture is not consolidated	Not Applicable
6.	Net worth attributable to Shareholding as per latest audited Balance Sheet	₹51,085 Mn (42% share of total Net worth)
7.	Profit / (Loss) for the year	
	(i) Considered in Consolidation	₹10,172 Mn (42% share)
	(ii) Not Considered in Consolidation	Nil

1. Names of associates or joint ventures which are yet to commence operations: NIL
2. Names of associates or joint ventures which have been liquidated or sold during the year: NIL

For and on behalf of the board

Akhil Gupta
Chairman
(DIN: 00028728)

D S Rawat
Managing Director & CEO
(DIN: 06798626)

Date: April 24, 2019
Place: New Delhi

Samridhi Rodhe
Company Secretary

S. Balasubramanian
Chief Financial Officer

Annexure D

Secretarial Audit Report

For the Financial year ended March 31, 2019

The Members

Bharti Infratel Limited
901, Park Centra, Sector-30,
NH-8, Gurugram HR 122001

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practices by Bharti Infratel Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2019 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent of Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018 (including erstwhile regulation 55A);

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (including erstwhile regulation);

(d) The Securities and Exchange Board of India (Share Based employee Benefits) Regulations, 2014;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; Not Applicable

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; Not Applicable, and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (including erstwhile regulation); Not Applicable.

(vi) As confirmed and certified by the management, there is no Sectoral law specifically applicable to the Company based on the Sectors / Businesses.

We have also examined compliance with the applicable clauses/Regulations of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India and notified by Ministry of Corporate Affairs;

(ii) Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes, in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance except in cases where meetings were convened at a shorter notice. The Company has complied with the provisions of Act for convening meeting at the shorter notice. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period following major events have happened in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.:

a. Scheme of Amalgamation and Arrangement (the 'Scheme') between Indus Towers Limited ("Transferor Company") and the Company ("Transferee Company") and their respective shareholders and creditors for the amalgamation of Transferor Company with Company, subject to necessary approvals.

b. M/s Bharti Airtel Limited, Holding Company of the Company has made inter-se transfer of 31,00,00,000 equity shares of ₹10 each (equivalent to 16.76% stake) of the Company to M/s Nettle Infrastructure Investments Limited, Wholly Owned Subsidiary of Bharti Airtel Limited.

For **Chandrasekaran Associates**
Company Secretaries

Dr. S. Chandrasekaran
Senior Partner
Membership No. 1644
Certificate of Practice No. 715

Date: April 04, 2019
Place: New Delhi

Note: This report is to be read with our letter of even date which is annexed as Annexure-A to this Report and forms an integral part of this report.

Annexure-A to the Secretarial Audit Report

The Members

Bharti Infratel Limited
901, Park Centra, Sector 30,
NH-8, Gurugram, Haryana - 122001

Our Report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on random test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Chandrasekaran Associates**
Company Secretaries

Dr. S. Chandrasekaran
Senior Partner
Membership No. 1644
Certificate of Practice No. 715

Date: April 04, 2019
Place: New Delhi

Annexure E

Annual Report on Corporate Social Responsibility (CSR) Activities

1.	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	Bharti Infratel's CSR vision is "To build an empowered society through education, community development and environment sustainability". The CSR Policy of the Company focuses on promoting: • Education amongst underprivileged section of the society and skill development initiatives • Rural development • Setting up of safe water and sanitation facilities • Environmental sustainability including contribution to approved technology incubators • Contribution to relief activities and the government approved relief funds **Web-links** **a. CSR Policy** http://www.bharti-infratel.com/cps-portal/web/corporate_gov.html#4 **b. Programs and Partners** **I. Satya Bharti School Program - Bharti Foundation** http://www.bhartifoundation.org/wps/wcm/connect/bhartifoundation/BhartiFoundation/Home/Satya+Bharti%20School%20Program/About%20the%20Satya%20Bharti%20School%20Program/PG_about_bharti_program **II. Satya Bharti Abhiyan - Bharti Foundation** https://www.bhartifoundation.org/page/satya-bharti-abhiyan **III. Facilitating Learning on WASH (FLOW) - The Energy and Resources Institute (TERI)** http://www.teriin.org/index.php?option=com_ongoing&task=details&pcode=2015EA10&Itemid=145 **IV. Bharti Infratel Scholarship Program - Shishu Sarothi** http://www.shishusarothi.org/we_do_units_bisp.html **V. Telecom Gurukul - PanIIT Alumni Reach For India Foundation - PARFI** https://www.parfi.org/pages/bharti-Infratel_
2.	Composition of the CSR Committee.	N. Kumar (Independent Director)- Chairman D S Rawat (Managing Director & CEO) Leena Srivastava (Independent Director) Rajan Bharti Mittal (Non-Executive Director)
3.	Average net profit of the Company for last three financial years	₹21,983 Mn

4.	Prescribed CSR Expenditure (2% of the amount as above)	₹439.67 Mn
5.	Details of CSR spent during the financial year:	
	(a) Total amount to be spent for the financial year	₹439.67 Mn
	(b) Amount unspent	₹25.87 Mn
	(c) Manner in which the amount spent during the financial year is detailed below.	

(in ₹ Mn)

(1) S. No.	(2) CSR project or activity identified	(3) Sector in which the project is covered	(4) Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs were undertaken	(5) Amount outlay (budget) project or programs wise	(6) Amount spent on the projects or programs subheads$: (1) Direct expenditure on projects or programs (2) Overheads:	(7) Cumulative expenditure up to the reporting period (Since April 1, 2014)	(8) Amount spent: Direct or implementing agency
CSR Spend under Section 135 of the Companies Act, 2013							
i.	Satya Bharti School Program	Education	Specified Below*	170	170	510	Implementing Agency- **Bharti Foundation** 1st Floor, C-Wing, Airtel Center, Plot No. 16, Udyog Vihar Phase IV, Gurgaon – 122015 Tel.: 0124-4823500
ii.	Satya Bharti Quality Support Program	Education	Specified Below*	140	140	140	Implementing Agency- **Bharti Foundation** 1st Floor, C-Wing, Airtel Center, Plot No. 16, Udyog Vihar Phase IV, Gurgaon – 122015 Tel.: 0124-4823500
iii	Satya Bharti Abhiyan	Sanitation	Amritsar	50	50	250	Implementing Agency – **Bharti Foundation** 1st Floor, C-Wing, Airtel Center, Plot No. 16, Udyog Vihar Phase IV, Gurgaon – 122015 Tel.: 0124-4823500

(in ₹ Mn)

(1) S. No.	(2) CSR project or activity identified	(3) Sector in which the project is covered	(4) Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs were undertaken	(5) Amount outlay (budget) project or programs wise	(6) Amount spent on the projects or programs subheads$: (1) Direct expenditure on projects or programs (2) Overheads:	(7) Cumulative expenditure up to the reporting period (Since April 1, 2014)	(8) Amount spent: Direct or implementing agency
iv.	FLOW – Facilitating Learning on WaSH#	Sanitation	Odisha- District Khorda (Bhubaneswar) / Jharkhand- District Ranchi / Madhya Pradesh- District Indore / Haryana - District Panipat / Jammu & Kashmir- Districts Jammu / Assam- District Kamrup Metropolitan (Guwahati)	11.4	7.8	20.6	Implementing Agency- **The Energy and Resources Institute (TERI)** Darbari Seth Block, IHC Complex, Lodhi Road, New Delhi -03 Phone: +91-11-46444500, 24339606
v.	Bharti Infratel Scholarship Program#	Education	Assam, Meghalaya, Mizoram, Nagaland, Tripura, Sikkim, Manipur and Arunachal Pradesh	3.2	3.2	7.47	Implementing Agency- **Shishu Sarothi** Centre for Rehabilitation & Training for Multiple Disability, Off Ramakrishna Mission Road, Birubari, Guwahati – 781016, Assam Tel.: 0361-2470990 / 2478912
vi.	Tower Technician Gurukul#	Skill Development / Livelihood Creation	Jharkhand – District Deogarh Chhattisgarh – District Rajnandgaon Uttar Pradesh and Odisha – Yet to finalize location	3.5	2.4	4.25	Implementing Agency- **PanIIT Alumni Reach For India Foundation - PARFI** 2nd floor, CSC Building, IIT B, Powai, Mumbai - 400076, Maharashtra Tel.: +91-9666407383

(in ₹ Mn)

(1) S. No.	(2) CSR project or activity identified	(3) Sector in which the project is covered	(4) Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs were undertaken	(5) Amount outlay (budget) project or programs wise	(6) Amount spent on the projects or programs subheads$: (1) Direct expenditure on projects or programs (2) Overheads:	(7) Cumulative expenditure up to the reporting period (Since April 1, 2014)	(8) Amount spent: Direct or implementing agency
vii.	Ramadham	Old Age Home	Maharashtra	1.25	1.25	2.50	Implementing Agency- **Ramabai Keshav Thackeray Vishwast Sanstha** Ramadham Old Age Home Khopoli, Raigadh Maharashtra - 410203 Tel.: 02192 – 262736
viii.	Clean Drinking Water Project#	Sanitation	Rajasthan	64.50	38.40	38.40	Direct
ix.	Kerela Flood Relief (CII Foundation)	Disaster Relief	Kerela	0.22	0.22	0.22	Direct
Total				**444.07**	**413.27**	**973.44**	
Administrative overheads/ expenses:							
x.	Third Party Audit (3 Projects)**	CSR Project M&E	Odisha- District Khorda (Bhubaneswar) / Jharkhand - District Ranchi Madhya Pradesh- District Indore / Haryana - District Panipat / Jammu & Kashmir- Districts Jammu / Assam - District Kamrup Metropolitan (Guwahati)	0.94	0.53	0.89	Implementing Agency- **Innovative Financial Advisors Private Limited (Finnovation)** 24/30, Ground Floor, Okhla Industrial Estate, Phase III New Delhi – 110020 Tel.: 011-42332200
Total				**0.94**	**0.53**	**0.89**	
Other Contributions:							
xi.	Ibaadat Foundation			0.15	0.15	0.15	
xii.	Bharti Foundation			1.05	1.05	1.05	
Total				**1.20**	**1.20**	**1.20**	
Grand Total				**446.21**	**415.00**	**975.53**	

6.	In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.	In FY18-19, the Company contributed ₹413.8 Mn under Section 135 of Companies Act, 2013; representing 1.88% of the net profit of the Company for last three financial years. The Company has also contributed ₹1.20 Mn towards other charitable causes, during FY 2018-19. The consolidated contribution of the Company towards various CSR activities during FY 2018-19 is ₹415 Mn. As a socially responsible Company, your company is persistently exploring new opportunities to increase its CSR expenditure to the prescribed level to create larger social impact. With this view, the company has identified and implemented a new project during the year under review. The Board on the recommendation of the CSR Committee has allocated ~₹440 Mn (2% of the net profit of the Company for last three financial years) towards various CSR projects for FY 2018-19. Since, the new project was identified for implementation during the later part of the year, the entire allocated amount was not disbursed pending the stage of implementation of the new project. With the strong foundation which has been established during the year along with the proposed scaling up of a number of its CSR Projects, the Company believes that it has made meaningful progress and has almost reached the target as per applicable law. The Company is fully committed to the government's vision of corporate's social responsibility towards the society and is making all the efforts for India's sustainable development by embedding wider economic, social and environment objectives.
7.	A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.	CSR Committee certifies that all the CSR projects implemented/funded by the Company in FY18-19 adhere to the objectives set in its CSR policy. The selection, implementation and monitoring of the CSR projects was also done in line with the CSR Policy.

* District wise/ State wise details of Satya Bharti School Program and Satya Bharti Abhiyan - Kaithal, Kurukshetra, Rewari, Mahendragarh, Jhajjar in Haryana; Jodhpur, Amer, Neemrana in Rajastan; Mushirdabad in West Bengal; Sivaganga in Tamil Nadu; Shahjahanpur, Farrukhabad, Bulandshehar in Uttar Pradesh and Amritsar, Ludhiana, Sangrur in Punjab.

Projects specified at sr. no. (iv), (v), (vi) and (viii) in the table above are multi-year projects with time span of 3 or more years for (iv), (v) and (vi) and 2 years for (viii) respectively.

$ Contribution in all the programs are direct expenditure.

** Third Party Audit is undertaken for 3 projects, i.e., Bharti Infratel Scholarship Program, Facilitating Learning on WASH (FLOW) and Tower Technician Gurukul.

For **Bharti Infratel Limited**

N. Kumar
Chairman of CSR Committee
(DIN: 00007848)

D S Rawat
Managing Director & CEO
(DIN: 06798626)

Date: April 24, 2019
Place: New Delhi

Annexure F

To,
The Members
Bharti Infratel Limited
901, Park Centra, Sector 30,
NH-8, Gurugram, Haryana- 122001

Independent Auditor's Certificate on Corporate Governance

1. This certificate is issued in accordance with the terms of our engagement letter dated October 10, 2018.

2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of Bharti Infratel Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2019, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

Managements' Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations (as amended) during the year ended March 31, 2019.

9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm registration number: 117366W/W-100018

Vijay Agarwal
Partner
Membership No: 094468

Place: New Delhi
Date: April 24, 2019

Annexure G

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis

There were no contracts or arrangements or transactions entered in to during the year ended March 31, 2019, which were not at arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis

(a)	Name(s) of the related party and nature of relationship	Bharti Airtel Limited (Holding Company)
(b)	Nature of contracts/ arrangements/ transactions	• To provide passive infrastructure services • To avail various telecom services such as landline, mobile, leased line broadband facility, SIM charges, USB Dongles etc. • Rental/Reimbursement of charges towards usage of offices/properties and availing related services.
(c)	Duration of the contracts/ arrangements/ transactions	All the contracts/arrangements/transactions are ongoing basis except as under:- • 10/15 years for providing of passive infrastructure services to Bharti Airtel Limited for each colocation by Bharti Infratel Limited pursuant to Master Service Agreement executed between Bharti Airtel Limited & Bharti Infratel Limited. • By virtue of Amendment 3 to MSA executed with Bharti Airtel Limited, all tenancies with tenure expiring on or before March 31, 2022 got unconditionally extended upto March 31, 2022 • Agreement for USOF sites for Project maintenance charges and Operation & maintenance charges for 983 sites • Exit Settlement Agreement for Telenor exited sites

(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	• To provide passive infrastructure services Bharti Infratel Limited has entered into Master Service Agreements (MSA) with Bharti Airtel Limited in December 2007 and subsequently three amendments have been executed till date. The MSA and its amendments executed between the parties sets out the terms and conditions relevant to sharing of passive infrastructure at sites and provision for related operation and maintenance services; and corresponding obligations of both the parties on a non-exclusive basis. Further, the MSA includes the SLA applicable to both the parties w.r.t. their respective obligations under the MSA. The MSA also captures the tower sharing process, site selection, acquisition and deployment timelines, the service levels and uptimes to be maintained, site electrification requirements, the governance process and applicable charges including standard charges, annual increment, various site level premiums, additional charges determined basis the installed active equipment of the sharing operator etc. Further the parties have arrived at arrangement under which the energy consumed is charged at fixed rates. The parties have also entered into joint energy initiative arrangements and have implemented multiple energy efficient and environment friendly solutions. Both the parties vide MSA Amendment 3 effective April 1, 2016, have changed some of the existing clauses of the MSA in respect of increment freeze on existing tenancies, change in standard thresholds for additional charges and changes in the permitted exit for tenancy and active equipment in order to bring parity with new business. Overall monetary value of the transaction depends upon the number of sites provided, site location, number of co-location etc. and vary from time to time. The net value of such transaction for FY 2018-19 amounts to ₹33,890 Mn (Excluding GST). Further, Under USOF agreement, Infratel is entitled to one-time project management charges for USOF sites RFIed for a total number of 983 sites. Additionally, Infratel will also get monthly Operation & maintenance charges against the RFIed USOF sites. Total revenue earned during FY 18-19 from this transaction amounting to ₹26 Mn (Excluding GST). Further also, Exit settlement term sheet executed with Airtel towards 2875 sites partly in Cash spread over 36 months and partly by way of extension of tenure on existing sites. Total revenue recognized during the FY 18-19 due to such exit charges amounting to ₹131 Mn (net of reversals - ₹111Mn) (Excluding GST). • To avail various telecom services such as landline, mobile, leased line broadband facility, SIM charges, USB Dongles etc. Bharti Airtel Limited is engaged in the business of providing various telecommunication services. The Company avails many of these telecom services such as landline, mobile, leased line broadband facility, SIM charges, USB Dongles etc. from Bharti Airtel on arm's length basis. Overall monetary value of the transaction depends upon the number / volume of services availed and the applicable rates of such services at the relevant time. The net value of such transaction for FY 2018-19 amounts to ₹145 Mn.

		• Rental/Reimbursement of charges towards usage of offices/properties and availing related services. Bharti Infratel has been occupying space in some offices and properties of Bharti Airtel and availing related facilities at such locations. Bharti Infratel reimburses charges for such usage and related services. Overall monetary value of the transaction depends upon the number / volume of services availed and the charges applicable at the relevant time. The value of such transaction incurred during FY 2018-19 amounts to ₹27 Mn.
(e)	Date(s) of approval by the Board, if any	April 27, 2015*
(f)	Amount paid as advances, if any	Nil

NOTE: The term "material" means a transaction to be entered individually or taken together with previous transactions in a financial year, which exceeds 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, as defined in the Related Party Transaction Policy of the Company.

*Initial approval of Board dated April 27, 2015; subsequently approved by the Shareholders in the AGM held on August 11, 2015 and July 24, 2018. MSAs have been subsequently amended from time to time. The related party transactions are placed before the Audit & Risk Management Committee and Board on quarterly basis for their review.

For **Bharti Infratel Limited**

Akhil Gupta
Chairman
(DIN: 00028728)

Date: April 24, 2019
Place: New Delhi

Annexure H

Details Pertaining to Remuneration as Required Under Section 197(12) of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and subsequent amendments thereto

(i)	The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2018-19	The median remuneration of employees is ₹690,000 per annum. Please refer Table A for the ratios.
(ii)	The percentage increase in remuneration of each director, CFO, CEO, CS or Manager in the financial year 2018-19	Please refer Table A
(iii)	The percentage increase in the median remuneration of employees in the financial year	14.87%
(iv)	The number of permanent employees on the rolls of the Company as on March 31, 2019 (on standalone basis)	1,235
(v)	Average percentage increase already made in the salaries of employees other than the managerial personnel in financial year 2018-19 and its comparison with the percentage increase in the managerial remuneration	Average percentage increase in the salaries of employees other than managerial personnel is 8.91%, whereas managerial remuneration has increased by 12.01%[$$].
(vi)	Affirmation that the remuneration is as per the remuneration policy of the Company	Yes, remuneration paid is as per the remuneration policy of the Company.

Table A

Sl. No.	Name of Director/ KMP and Designation	Remuneration of Director/ KMP for FY 2018-19 (In ₹)	% increase in remuneration in FY 2018-19[$$]	Ratio of remuneration of each director to median remuneration of employees [a, b]
Executive Directors				
1	Akhil Gupta (Chairman)	88,874,784[$]	Nil	128.80
2	D S Rawat (Managing Director & CEO)	34,340,888[#]	8.25	49.77
Non-Executive Directors				
3	Rajan Bharti Mittal	750,000[^]	NA	1.09
4	Tao Yih Arthur Lang[C]	750,000[^]	NA	1.09
5	Sanjay Nayar	375,000[^]	NA	1.09
Independent Directors				
6	Prakul Kaushiva[d]	Nil	NA	NA
7	Anita Kapur	1,500,000[^]	NA	2.17
8	Bharat Sumant Raut	2,000,000[^]	NA	2.90
9	Jitender Balakrishnan	1,500,000[^]	NA	2.17
10	Leena Srivastava	1,500,000[^]	NA	2.17

Sl. No.	Name of Director/ KMP and Designation	Remuneration of Director/ KMP for FY 2018-19 (In ₹)	% increase in remuneration in FY 2018-19[$$]	Ratio of remuneration of each director to median remuneration of employees[a, b]
11	N Kumar	1,125,000^	NA	2.17
12	Rajinder Pal Singh	1,500,000^	NA	2.17
Key Managerial Personnel other than Executive Directors				
13	Pankaj Miglani (Chief Financial Officer) *	11,702,762**	9.75	NA
14	S Balasubramanian (Chief Financial Officer)*	6,512,014	NA	NA
15	Samridhi Rodhe (Company Secretary)	1,543,086	30.04	NA

[a.] Based on Annualized Remuneration

[b.] Remuneration of Employees and KMPs and Executive Directors does not include perquisite value of stock options exercised during the FY 2018-19.

[c.] Tan Yong Choo attended the Board meeting held on July 25, 2018, as an Alternate Director to Tao Yih Arthur Lang.

[d.] Prakul Kaushiva was appointed w.e.f. January 24, 2019 and no Board meeting was held during the period from his appointment upto March 31, 2019.

[$] There is no change in the remunaration of Akhil Gupta during the year (at 100% PLI). However, the increase in the remuneration from last year is due to the payment of performance based incentive.

[$$] The value of Performance linked incentive (PLI) in remuneration of KMPs (including Executive Directors) and employees represents incentives which will accrue at 100% performance level. For effective comparison, the PLI component for their remuneration for previous year has also been considered at 100% performance level.

^ In terms of remuneration policy, Independent Directors are entitled for profit based commission of ₹1,500,000 per annum and Non-Executive Directors ₹750,000 per annum. Chairman of Audit & Risk Management Committee is entitled for an additional commission of ₹500,000 per annum. The payment of commission is based on attending the Board meeting in which quarterly results are adopted. There is no change in the commission paid to Independent Directors and Non-Executive Directors during the year. Company has not paid any sitting fees for FY 2018-19.

[#] The remuneration of D S Rawat does not include perquisite value on exercise of ESOPs amounting to ₹5,993,014 as mentioned in Form MGT-9 annexed with Board's Report.

[*] Pankaj Miglani resigned w.e.f. August 9, 2018 and S Balasubramanian was appointed w.e.f. August 10, 2018.

** The Remuneration of Pankaj Miglani does not include perquisite value on excercise of ESOPs amounting to ₹2,317,586 as mentioned in Form MGT-9 annexed with Board's Report.

Annexure I

Details pertaining to Remuneration as required under Section 197(12) of the Companies Act, 2013 read with rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and subsequent amendments thereto

Sl. No.	Name	Designation	Nature of Employment, whether contractual or otherwise	Nature of duties of the employee	Qualification(s)	Age (In years)	Date of Commencement of Employment (Infratel)	Total experience (in years)	Gross Remuneration (in ₹)	Previous Employment / Designation
(A) Name of top 10 employees in terms of remuneration drawn and employed throughout the financial year										
1	Akhil Gupta	Chairman	Contractual	General Management	CA	62	01-Aug-08	34	88,874,784	Bharti Airtel Limited / Jt. Managing Director
2	Biswajit Patnaik	Chief Sales & Marketing Officer	Permanent	Sales & Marketing	PGDSM	46	20-Oct-08	26	11,327,978	TVS InterconnectSystems Ltd / Genral Manager - Sales& Marketing
3	Devender Singh Rawat	Managing Director & CEO	Contractual	CEO's Office	B.E	51	28-Jul-10	30	40,333,902	Huawei Telecommunications (I) Co. P Ltd / Executive Director
4	Dhananjay Joshi*	Chief Operating Officer	Permanent	COO's Office	B Tech	59	26-Feb-14	32	10,654,411	Ericssion India Ltd / VP & CU Head
5	Dipak Roy	Chief Human Resource Officer	Permanent	HR	MPM	52	01-Jun-13	28	19,393,039	Bharti Airtel Ltd / Head HR- Consumer Business Operations
6	Pankaj Miglani*	Chief Financial Officer	Permanent	Finance	CA/ CS/ ICWA	49	08-Aug-11	24	14,020,348	Bharti Airtel Limited / Head - Global Voice
7	Prashant Jagdish Keole	Sr VP.Deployment	Permanent	Deployment	B.Tech	50	01-Oct-07	27	9,727,778	Bharti Airtel/DGM-SCM Head
8	Rajiv Arora	Chief - Legal- Regulatory & Corp Affrs	Permanent	Legal-Regulatory & Corp Affrs	LLB /PGDHRM /DLL	48	01-Oct-07	23	12,683,536	Bharti Airtel Ltd / Genral Manager
9	Ravinder Bansal	VP Finance	Permanent	Finance	B.Com/C.A.	45	02-Sep-13	20	9,126,414	Airtel Tanzania Ltd / Financial Controller
10	Sachin Ramesh Naik	Sr VP.O&M	Permanent	O&M	Post Graduation	54	16-Aug-16	32	12,559,671	Ericsson / Vice President – Head of Special Projects

* Employed for part of financial year

(B) Employed for part of financial year except top 10 employees mentioned in (A) above

NIL

Notes:
1. Gross Remuneration comprises of Salary, Taxable Allowances & Perquisities and Company's contribution to Provident Fund.
2. The employee would qualify for being included in Category (A) or (B) on the following basis:
   For (A) top 10 employees in terms of remuneration drawn and if the aggregate remuneration drawn by him during the year was not less than ₹10,200,000 p.a.
   For (B) if the aggregate remuneration drawn by him during the part of year was not less than ₹850,000 p.m.
3. None of the employees mentioned above is a relative of any Director of the Company.
4. None of the employees mentioned above holds 2% or more share capital of the Company.
5. The employees are governed by the general terms and conditions of employment and the policies of the Company.

For Bharti Infratel Limited

Akhil Gupta
Chairman

Date: April 24, 2019
Place: New Delhi

Annexure J

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

Bharti Infratel Limited has always aimed to be an environment-friendly company. Our constant pursuit of being a green organisation goes back to year 2006, when the Company was incorporated. Over time, ambitions matured, and so did our efforts. Today, we feel proud in saying that we have a total of 15,226 green sites pan India.

Our unique business model allows the operators to lower their operational expenses significantly, by exploiting the best of our networks with the co-location model. This unique proposition serves a host of purposes including a considerable reduction in diesel cost per co-location, faster rollouts, and lowers emissions.

We, at Bharti Infratel have the vision to be the best and most innovative passive communications infrastructure provider globally known for – highest uptime, cost and energy efficiencies, speed and quality of deployment, and environment friendliness. Our strategy and actions are planned such that we objectively fulfil our vision of becoming a green company.

A. Conservation of Energy

(i) During the year under review, several steps were taken for conservation of energy and improving energy efficiency, some of which are listed below:

Infratel is committed for ensuring highest uptime at lowest energy costs in turn resulting in minimization of carbon emission as a whole. To support our vision, we increased our leverage on new range of business engines and centralized reporting platform "One View" which provides single access to entire site details as well as ready to use energy and other infra health analysis reports thus helping in reduction of energy costs, improvement in infra utilization levels and in turn lowering our carbon footprint.

At Infratel, we believe apart from electrification, batteries act as major catalyst for reduction of energy cost/emissions as it supports reduction of DG run hour in absence of state electricity on site. Hence it remains our core focus area. This year, we continued in addition of new solutions to our battery solution basket which has expanded to VRLA, Advanced VRLA, T-GEL, Lithium ion, Lithium ion + VRLA combo which effectively covers all commercially viable storage solutions available in our ecosystem.

Our focus on "Abandoning Air-conditioner' project continued, whereby we have ensured conversion of 70% of our Indoor sites to Outdoor, thereby resulting in energy cost reduction as well as emissions from the site. For the said project, we introduced shareable micro cooling solutions and dual turbine unit based solution apart from already designed solution gamut including Solar based natural Free cooling units, large sized micro cooling cabinets, HEX based micro cooling units Free Cooling Unit (FCU), Natural Cooling Unit (NCU).

Apart from focus on abandoning air conditioner, high efficiency ACs were also introduced to reduce energy consumption at critical sites where air conditioners are still mandatorily required for the upkeep of sensitive equipment.

Energy Efficiency has also been steadily rising in our systems with introduction of high efficiency rectifier module and power system into our folds which is resulting in reduction in energy consumption or in turn costs.

Our multipronged strategy for reducing consumption and losses along with operational efforts have yielded big results and have helped in reduction in diesel consumption by a great margin.

(ii) The following initiatives have been undertaken by the Company, to utilise alternate source of energy:

Infratel has always been the pioneer in usage of alternate energy sources for reducing dependence on carbon intensive energy sources. Regular scanning for conventional or non-conventional energy sources is carried out, whereby the solution is evaluated both technically and commercially in terms of deployment and scalability. Solutions such as solar, wind, hydrogen based fuel-cell, bio-mass have been tested and feasible solutions among these have been adopted.

Through persistent efforts, we have been able to deploy the largest solar footprint in telecom industry leading to reduction in carbon emission. To further enhance our reach, we have developed complete solar solution ensemble comprising of solutions based on charge controller, solar inverters and combination of solar inverter and charge controller. We intend to continue deploying alternatives basis site feasibility analysis.

To further enhance our stride towards green vision, we also initiated trials for methanol based fuel cell and wind turbines.

(iii) Future plan of action

As a committed movement towards green environment Infratel, we plan to remain committed to our efforts towards optimization of energy consumption by increasing EB availability, improving efficiency, reducing load, deploying high end batteries, enhancing adoption of renewable energy sources and driving operational efficiencies.

For the year 2019-20, we intend to increase our energy cost reduction armour by introduction of state of the art remote monitoring and big data analytic engines into the system. The above referred stimulus should further accelerate our journey towards energy excellence.

To improve on utilization of renewables and increasing our contribution towards society, we intend to refocus our synergies for maximization of RESCO model in more states. Thus ensuring a reliable clean power to ourselves as well as do our bit for the betterment of community as a whole.

In our efforts towards load reduction and abandoning of air conditioners, we intend to put in more collaborative efforts with our active infra partners to ensure quicker adoption of low power consuming devices and conversion from indoor to outdoor.

(iv) The Capital investment on energy conservation equipment

(₹ Mn)

S. No.	Capex on Energy Conservation	Standalone	Consolidated
1	During the FY 2018-19	99	543
2	Cumulative as on March 31, 2019	3,187	8,207

B. Technology Absorprtion

The Company continues to adopt and use the latest technologies to improve the productivity and quality of its services. However, this section is not applicable for the Company.

C. Foreign Exchange Earnings and Outgo

(i) Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services; and export plans;

Bharti Infratel Limited being a telecom tower Infrastructure service provider has not undertaken any activity relating to exports or development of export markets for services.

(ii) Total foreign exchange used and earned

(a) Total Foreign Exchange Earning: Nil

(b) Total Foreign Exchange Outgo: Nil

Annexure K

Form No. MGT-9

Extract of Annual Return

as on the financial year ended on March 31, 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and other details:

i)	CIN:	L64201HR2006PLC073821
ii)	Registration Date:	November 30, 2006
iii)	Name of the Company:	Bharti Infratel Limited
iv)	Category/ Sub- Category of the Company	Company limited by shares/ Public Non-Government Company
v)	Address of the registered office of the Company and contact details	901,Park Centra, Sector 30, NH-8, Gurugram, Haryana-122001 Tel: +91-124-4132600 Fax: +91-124-4109580 Email ID: compliance.officer@bharti-infratel.in Website: www.bharti-infratel.com
vi)	Whether listed company	Yes
vii)	Name, Address and contact details of Registrar and Transfer Agent, if any	Karvy Fintech Private Limited (formerly known as Karvy Computershare Private Limited) Karvy Selenium Tower B, Plot No. 31 & 32, Gachibowli Financial District, Hyderabad- 500032 Contact Person: G Ramesh Desai Tel: +91-040-67161528/1518 Email: einward.ris@karvy.com Website: www.karvyfintech.com

II. Principal Business Activities of the Company

All the business activities contributing 10 % or more of the total turnover of the company shall be stated

Sl. No.	Name and Description of main products/ services	NIC Code of the product/ service*	% to total turnover of the Company
1	Activities of providing Telecom Tower Infrastructure sharing for telecommunication services	612	100%

*As per National Industrial classification- Ministry of Statistics and Programme Implementation.

III. Particulars of Holding, Subsidiary and Associate Companies

Sl. No.	Name and Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Bharti Airtel Limited Bharti Crescent, 1 Nelson Mandela Road, Vasant Kunj, Phase-II, New Delhi - 110070	L74899DL1995PLC070609	Holding Company	53.51%*	2(46)
2	Smartx Services Limited Bharti Crescent, 1 Nelson Mandela Road, Vasant Kunj, Phase-II, New Delhi- 110070	U64202DL2015PLC285515	Subsidiary Company	100%	2(87)
3	Indus Towers Limited Building No. 10, Tower-A, 4th Floor, DLF Cyber City, Gurugram, Haryana-122002	U92100HR2007PLC073822	Associate Company	42.00%	2(6)

*includes 19.94% shares held by Nettle Infrastructure Investments Limited, a wholly owned subsidiary of Bharti Airtel Limited.

IV. Shareholding Pattern (Equity Share Capital Breakup as Percentage of Total Equity)

i) Category-wise Share Holding

Category Code	Category of Shareholder	No. of shares held at the beginning of the year i.e. April 1, 2018				No. of shares held at the end of the year i.e. March 31, 2019				% change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(A)	**Promoter and Promoter Group**									
(1)	**Indian**									
(a)	Individual /HUF	-	-	-	-	-	-	-	-	-
(b)	Central Government/State Government(s)	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	989,780,979	-	989,780,979	53.51%	989,780,979	-	989,780,979	53.51%	-
(d)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(e)	Others	-	-	-	-	-	-	-	-	-
Sub-Total A(1) :		**989,780,979**	**-**	**989,780,979**	**53.51%**	**989,780,979**	**-**	**989,780,979**	**53.51%**	**-**
(2)	**Foreign**									
(a)	Individuals (NRIs/Foreign Individuals)	-	-	-	-	-	-	-	-	-
(b)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-
(d)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(e)	Others	-	-	-	-	-	-	-	-	-
Sub-Total A(2) :		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total A=A(1)+A(2)		**989,780,979**	**-**	**989,780,979**	**53.51%**	**989,780,979**	**-**	**989,780,979**	**53.51%**	**-**
(B)	**Public Shareholding**									
(1)	**INSTITUTIONS**									
(a)	Mutual Funds /UTI	28,779,616	-	28,779,616	1.56%	15,655,408	-	15,655,408	0.85%	(0.71)%
(b)	Alternative Investment Fund	-	-	-	-	2,068	-	2,068	0.00%	0.00%

Category Code	Category of Shareholder	No. of shares held at the beginning of the year i.e. April 1, 2018				No. of shares held at the end of the year i.e. March 31, 2019				% change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(c)	Financial Institutions /Banks	1,910,215	-	1,910,215	0.10%	2,177,160	-	2,177,160	0.12%	0.02%
(d)	Central Government / State Government(s)	-	-	-	-	-	-	-	-	-
(e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f)	Insurance Companies	11,481,645	-	11,481,645	0.62%	11,479,365	-	11,479,365	0.62%	0.00%
(g)	Foreign Institutional Investors	794,626,052	-	794,626,052	42.96%	811,952,686	-	811,952,686	43.90%	0.94%
(h)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(i)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(j)	Others	-	-	-	-	-	-	-	-	-
Sub-Total B(1) :		**836,797,528**	**-**	**836,797,528**	**45.24%**	**841,266,687**	**-**	**841,266,687**	**45.48%**	**0.24%**
(2)	**NON-INSTITUTIONS**									
(a)	Bodies Corporate	9,121,812	-	9,121,812	0.49%	8,936,614	-	8,936,614	0.48%	(0.01)%
(b)	Individuals									
	(i) Individuals holding nominal share capital upto ₹1 lakh	4,726,774	1,503	4,728,277	0.26%	4,223,987	1,340	4,225,327	0.23%	(0.03)%
	(ii) Individuals holding nominal share capital in excess of ₹1 lakh	3,218,796	-	3,218,796	0.17%	2,701,400	-	2,701,400	0.15%	(0.02)%
(c)	Others									
	Foreign Bodies	2,145,693	-	2,145,693	0.12%	-	-	-	-	(0.12)%
	Clearing Members	2,123,011	-	2,123,011	0.11%	865,596	-	865,596	0.05%	(0.06)%
	Trusts*	1,427,683	-	1,427,683	0.08%	1,586,338	-	1,586,338	0.09%	0.01%
	Non resident Indians	264,467	-	264,467	0.01%	245,305	-	245,305	0.01%	0.00%
(d)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Sub-Total B(2) :		**23,028,236**	**1,503**	**23,029,739**	**1.25%**	**18,559,240**	**1,340**	**18,560,580**	**1.00%**	**(0.24)%**
Total B=B(1)+B(2) :		**859,825,764**	**1,503**	**859,827,267**	**46.49%**	**859,825,927**	**1,340**	**859,827,267**	**46.49%**	**-**
Total (A+B) :		**1,849,606,743**	**1,503**	**1,849,608,246**	**100.00%**	**1,849,606,906**	**1,340**	**1,849,608,246**	**100.00%**	**-**
(C)	**Shares held by custodians, against which Depository Receipts have been issued**	-	-	-	-	-	-	-	-	-
GRAND TOTAL (A+B+C) :		**1,849,606,743**	**1,503**	**1,849,608,246**	**100.00%**	**1,849,606,906**	**1,340**	**1,849,608,246**	**100.00%**	**-**

* Trust includes shares held by Bharti Infratel Employee Welfare Trust.

ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year i.e April 1, 2018			Shareholding at the end of the year i.e March 31, 2019			% change in share holding during the year
		No. of shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Bharti Airtel Limited	930,898,728	50.33	0.00	620,898,728	33.57	0.00	(16.76)
2	Nettle Infrastructure Investments Limited*	58,882,251	3.18	0.00	368,882,251	19.94	0.00	16.76
Total		**989,780,979**	**53.51**	**0.00**	**989,780,979**	**53.51**	**0.00**	**0.00**

* Nettle Infrastructure Investments Limited qualifies as part of Promoter Group u/r 2(1)(t) of SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 as well as "person acting in concert" with promoter (Bharti Airtel Limited) as specified u/r 2(1)(q) of the Regulations.

(iii) Change in Promoters' Shareholding:

Sl No.	Name	Shareholding at the beginning of the year		Date	Increase/ (Decrease) in shareholding	Reason of Increase or (Decrease)/ Balances	Cumulative shareholding during the year/ Shareholding at the end of the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Bharti Airtel Limited	930,898,728	50.33	April 1, 2018		Opening Balance	930,898,728	50.33
				March 19, 2019	(310,000,000)	Inter-se transfer	620,898,728	33.57
				March 31, 2019		Closing Balance	620,898,728	33.57
2	Nettle Infrastructure Investments Limited*	58,882,251	3.18	April 1, 2018		Opening Balance	58,882,251	3.18
				March 19, 2019	310,000,000	Inter-se transfer	368,882,251	19.94
				March 31, 2019		Closing Balance	368,882,251	19.94

* Nettle Infrastructure Investments Limited qualifies as part of Promoter Group u/r 2(1)(t) of SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 as well as "person acting in concert" with promoter (Bharti Airtel Limited) as specified u/r 2(1)(q) of the Regulations.

(iv) Shareholding Pattern of Top 10 shareholders (other than Directors, Promoters and holders of GDRs and ADRs)

Sl No.	Name of the Share Holder	Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	**SILVERVIEW PORTFOLIO INVESTMENTS PTE. LIMITED**				
	At the beginning of the year	130,803,065	7.07	130,803,065	7.07
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	130,803,065	7.07	130,803,065	7.07
2	**CANADA PENSION PLAN INVESTMENT BOARD**				
	At the beginning of the year	60,461,609	3.27	60,461,609	3.27
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	60,461,609	3.27	60,461,609	3.27
3	**EDGEPOINT GLOBAL GROWTH & INCOME PORTFOLIO**				
	At the beginning of the year	8,672,206	0.47	8,672,206	0.47
	Bought during the year	31,140,787	1.68	39,812,993	2.15
	Sold during the year	-	-	-	-
	At the end of the year	39,812,993	2.15	39,812,993	2.15
4	**COMPOSITE CAPITAL MASTER FUND LP**				
	At the beginning of the year	26,666,265	1.44	26,666,265	1.44
	Bought during the year	-	-	-	-
	Sold during the year	10,125,536	0.55	16,540,729	0.89
	At the end of the year	16,540,729	0.89	16,540,729	0.89
5	**EDGEPOINT GLOBAL PORTFOLIO**				
	At the beginning of the year	23,035,232	1.25	23,035,232	1.25
	Bought during the year	44,143,102	2.39	67,178,334	3.63
	Sold during the year	-	-	-	-
	At the end of the year	67,178,334	3.63	67,178,334	3.63
6	**VIRTUS VONTOBEL EMERGING MARKETS OPPORTUNITIES FUND**				
	At the beginning of the year	22,600,849	1.22	22,600,849	1.22
	Bought during the year	-	-	-	-
	Sold during the year	3,826,853	0.21	18,773,996	1.02
	At the end of the year	18,773,996	1.02	18,773,996	1.02

Sl No.	Name of the Share Holder	Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
7	**ARTISAN INTERNATIONAL VALUE FUND**				
	At the beginning of the year	22,146,604	1.20	22,146,604	1.20
	Bought during the year	63,998,459	3.46	86,145,063	4.66
	Sold during the year	42,790,099	2.31	43,354,964	2.34
	At the end of the year	43,354,964	2.34	43,354,964	2.34
8	**CAMAS INVESTMENTS PTE. LTD.**				
	At the beginning of the year	20,874,076	1.13	20,874,076	1.13
	Bought during the year	11,394,413	0.62	32,268,489	1.74
	Sold during the year	16,135,000	0.87	16,133,489	0.87
	At the end of the year	16,133,489	0.87	16,133,489	0.87
9	**SBI-ETF SENSEX NEXT 50**				
	At the beginning of the year	17,521,414	0.95	17,521,414	0.95
	Bought during the year	3,907,651	0.21	21,429,065	1.16
	Sold during the year	11,891,176	0.64	9,537,889	0.52
	At the end of the year	9,537,889	0.52	9,537,889	0.52
10	**MATTHEWS ASIA DIVIDEND FUND**				
	At the beginning of the year	17,014,689	0.92	17,014,689	0.92
	Bought during the year	3,952,441	0.21	20,967,130	1.13
	Sold during the year	20,967,130	1.13	-	-
	At the end of the year	-	-	-	-
11	**BNY MELLON TRUST AND DEPOSITARY (UK) LIMITED AS TR**				
	At the beginning of the year	6,430,669	0.35	6,430,669	0.35
	Bought during the year	10,166,821	0.55	16,597,490	0.90
	Sold during the year	246,641	0.01	16,350,849	0.88
	At the end of the year	16,350,849	0.88	16,350,849	0.88
12	**VANGUARD EMERGING MARKETS STOCK INDEX FUND, A SERI**				
	At the beginning of the year	14,519,634	0.79	14,519,634	0.79
	Bought during the year	557,350	0.03	15,076,984	0.82
	Sold during the year	1,465,665	0.08	13,611,319	0.74
	At the end of the year	13,611,319	0.74	13,611,319	0.74

Notes:

The details of top 10 shareholders at any point of time during the FY 2018-19 has been provided.

The details of shareholding are maintained by respective depositories and it is not feasible to provide daily change in the shareholding of top 10 shareholders. Therefore, Consolidated changes during the year 2018-19 has been provided.

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name	Shareholding at the beginning of the year		Date	Increase/ Decrease in shareholding	Reason of Increase or Decrease/ Balances	Cumulative shareholding during the year/ Shareholding at the end of the year	
		No. of shares	% of total Shares of the Company				No. of shares	% of total shares of the Company
1	Akhil Gupta (Chairman)	1,927,217	0.10	April 1, 2018		**Opening Balance**	1,927,217	0.10
				February 18, 2019	(111,000)	Market Sale	1,816,217	0.10
				February 19, 2019	(189,000)	Market Sale	1,627,217	0.09
				February 20, 2019	(26,013)	Market Sale	1,601,204	0.09
				February 22, 2019	(48,987)	Market Sale	1,552,217	0.08
				March 31, 2019		**Closing Balance**	1,552,217	0.08
2	D S Rawat (Managing Director & CEO)	96,412	0.01	April 1, 2018		**Opening Balance**	96,412	0.01
				September 19, 2018	16,415	ESOP allotment	112,827	0.01
				October 22, 2018	6,540	ESOP allotment	119,367	0.01
				March 19, 2019	(15,000)	Market Sale	104,367	0.01
				March 31, 2019		**Closing Balance**	104,367	0.01
No other Director held any shares of the Company during the year.								
Key Managerial Personnel other than Executive Directors								
1	Pankaj Miglani (Chief Financial Officer)*	81,862	0.00	April 1, 2018		**Opening Balance**	81,862	0.00
				July 12, 2018	8,031	ESOP allotment	89,893	0.00
				March 31, 2019		**Closing Balance**	89,893	0.00

*Pankaj Miglani resigned w.e.f. August 9, 2018. Subramanian Balasubramanian was appointed as Chief Financial Officer w.e.f. August 10, 2018. He did not hold any shares in the Company during the year.

Samridhi Rodhe, Company Secretary did not hold any shares in the Company during the year.

V. Indebtedness of the Company including interest outstanding/ accrued but not due for payment

(₹)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i. Principal Amount	-	-	-	-
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
Total (i+ ii+ iii)	**-**	**-**	**-**	**-**
Change in indebtedness during the financial year				
Addition	-	57,000,000	-	57,000,000
Reduction	-	-	-	-
Net change		**57,000,000**		**57,000,000**
Indebtedness at the end of the financial year				
i. Principal Amount	-	57,000,000	-	57,000,000
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
Total (i+ ii+ iii)	**-**	**57,000,000**	**-**	**57,000,000**

VI. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(in ₹)

Sl. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager		Total Amount
		Akhil Gupta (Chairman)	D S Rawat (Managing Director & CEO)	
1	**Gross Salary**			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax act ,1961	81,438,552	32,786,498	114,225,050
	(b) Value of perquisites u/s 17(2) of Income tax Act, 1961			
	(i) Perquisite value of Car	39,600	-	39,600
	(ii) Perquisite value of ESOPs exercised during the year	-	5,993,014	5,993,014
	(iii) others			
	(c) Profit In lieu of salary under section 17(3) of Income tax Act, 1961	-		-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(in ₹)

Sl. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager		Total Amount
		Akhil Gupta (Chairman)	D S Rawat (Managing Director & CEO)	
2	Stock Option			
	- Granted	-	-	-
	- Exercised (perquisite value)	-	-	-
3	Sweat Equity			
	- Granted	-	-	-
	- Exercised (perquisite value)	-	-	-
4	Commission			
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others (Company's contribution to PF)	7,396,632	1,554,390	8,951,022
	Total(A)	**88,874,784**	**40,333,902**	**129,208,686**
	Ceiling as per Companies Act, 2013			3,555,133,849

B. Remuneration to other Directors:

(in ₹)

Particulars of Remuneration	Name of Director									Total Amount
	Anita Kapur	Bharat Sumant Raut	N Kumar	Leena Srivastava	Jitender Balakrishnan	Rajinder Pal Singh	Tao Yih Arthur Lang**	Sanjay Nayar#	Rajan Bharti Mittal	
	Independent Director						Non-Executive Director			
Fee for attending board/ committee meetings	-	-	-	-	-	-	-	-	-	-
Commission*	1,500,000	2,000,000	1,125,000	1,500,000	1,500,000	1,500,000	750,000	375,000	750,000	11,000,000
Others, please specify	-	-	-	-	-	-	-	-	-	-
Total (B)	**1,500,000**	**2,000,000**	**1,125,000**	**1,500,000**	**1,500,000**	**1,500,000**	**750,000**	**375,000**	**750,000**	**11,000,000**
Ceiling as per the Companies Act, 2013										355,513,385
Total Managerial Remuneration (A+B)										**140,208,686**
Overall Ceiling as per the Companies Act, 2013										3,910,647,234

* Commission is paid to Directors on the basis of no. of Board meetings attended by them in which quarterly financial results are adopted.

**Tan Yong Choo attended the Board meeting as alternate director on behalf of Tao Yih Arthur Lang on July 25, 2018.

Sanjay Nayar ceased to be a Director w.e.f. January 23, 2019. Prakul Kaushiva was appointed as an Additional Directors w.e.f. January 24, 2019.

C. Remuneration to Key Managerial Personnel other than MD/ Manager/ WTD

(in ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		Pankaj Miglani* (Chief Financial Officer)	S Balasubramanian** (Chief Financial Officer)	Samridhi Rodhe (Company Secretary)	
1	**Gross Salary**				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax act ,1961	11,341,109	6,051,557	1,411,476	18,804,142
	(b) Value of perquisites u/s 17(2) of Income tax Act, 1961				
	(i) Perquisite value of Car	1,783	13,296	35,610	50,689
	(ii) Perquisite value of ESOPs exercised during the year	2,317,586			2,317,586
	(iii) others				
	(c) Profit In lieu of salary under section 17(3) of Income tax Act, 1961				
2	**Stock Option**				
	- Granted				
	- Exercised (perquisite value)				
3	**Sweat Equity**				
	- Granted				
	- Exercised (perquisite value)				
4	**Commission**				
	- as % of profit				
	- others, specify				
5	**Others (Company's contribution to PF)**	359,870	447,161	96,000	903,031
	Total(A)	**14,020,348**	**6,512,014**	**1,543,086**	**22,075,448**

*Pankaj Miglani resigned w.e.f. August 9, 2018.

**S Balasubramanian was appointed w.e.f. August 10, 2018.

VII. There were no penalties/punishment/compounding of offences for the year ending March 31, 2019.

Management Discussion & Analysis

Economic Overview

India is one of the fastest growing major economies, recording a stellar 7.2% GDP growth in FY'19 versus 6.7% growth in FY'18. This strong growth is likely to continue in the next year as well, with the World Bank estimating that India's GDP growth is expected to accelerate to 7.5% in FY'20 mainly due to improved consumption, lower levels of inflation and better investment scenario.

The Interim Budget 2019-20 had a clear rural and agriculture push along with proposals to boost consumption and investment. The major highlights were the multiple schemes for farmers, tax sops for urban middle class which should promote consumption in the economy. Another notable aspect of Government initiatives has been to improve the social status of the lower and lower-middle income strata, which augurs well for consumer spend. Inflation which is a key economic indicator also continues to be manageable, averaging around 3.5% for FY19, among the lowest in major emerging economies.

The country's digital transformation has also continued with 1.2 billion Indians enrolling to the Government's biometric digital identification program "Aadhaar", majority of Indians having bank accounts, surge in digital payments, digital operations across businesses especially small and medium-size enterprises following the introduction of Goods and Services Tax (GST). Digital opportunities continue to emerge across sectors such as banking, financial services, education, health care, agriculture, energy, logistics etc. fuelled by telecom infrastructure and technology at their core.

Indian Telecom Industry overview

India is currently the world's second-largest telecommunications market with a wireless subscriber base of 1.18 Bn (as of Feb 28, 2019) with the lowest voice and data rates in the world. Wireless broadband penetration now stands at ~41% (as of Feb 28, 2019,) vs. ~30% last year (as on March 31, 2018) Source: TRAI

According to the latest Nokia's India Mobile Broadband Index, data volumes more than doubled yet again with overall data traffic growing by 109% in 2018. This was driven by exponential increase in 4G data consumption led by increase in 4G device penetration, cheaper data plans coupled with unlimited video streaming packages. Average data usage per month registered a growth rate of 69% in 2018 with average data usage per month reaching ~10GB/sub in December 2018, an exponential rise from ~1.4GB/sub levels in 2016 for 4G alone. Driven by migration of data users from 3G to 4G devices, 3G and 4G device base grew 1.2x and 1.5x respectively; VoLTE handsets grew to 277 Million.

Industry Structure and Developments:

- **National Digital Communications Policy 2018:** During the year, the Union Cabinet approved and DOT notified the "National Digital Communications Policy 2018". This is a forward looking policy providing roadmap for the next level of growth and development of the communications sector. For companies engaged in telecom infrastructure, the policy also has a number of positive developments such as enhanced scope of IP-1s to offer active infrastructure along with passive, according the status of critical and essential infrastructure to telecom infrastructure, facilitating Fiber-to-the tower program to enable fiberization of at least 60% telecom towers and, promoting collaborative models for provision of shared duct infrastructure, alongside roads/highways, IBS in buildings compulsory through NBC, among others.

- **Consolidation among operators:** Apart from culmination of previously announced mergers/acquisitions, exits of operators, etc., this year saw the completion of the Vodafone-Idea merger and Airtel-Telenor merger. With this, the industry now has a more stable structure of three private operators viz. Bharti Airtel, Reliance Jio and Vodafone-Idea and one Government operator nationwide through the combination of BSNL and MTNL.

- **Fund raising by operators:** During the year, both Bharti Airtel and Vodafone-Idea announced fund raising initiatives to aid further investments in their respective businesses. Bharti Airtel announced fund raising of upto ₹32,000 crores through rights issuance of upto ₹25,000 crores and Perpetual Bond with equity credit upto ₹7000 crores. Vodafone-Idea also announced a rights issue of approximately ₹25,000 crores.

- **Tower portfolio changes and updates:** The year saw closure of previously announced transactions in the tower space, such as sale of standalone towers of erstwhile Idea Cellular (~9,900 towers) and erstwhile Vodafone India (~10,200 towers) to ATC Telecom Infrastructure Private Limited, the majority owned subsidiary of American Tower Corporation. During the year, Reliance Jio announced that they have terminated the agreement entered with Reliance Communications to acquire assets which included towers and optic fiber cable network. Separately, following NCLT's approval Reliance Jio has completed the transfer of its Optic Fiber Cable and Tower Infrastructure to two infrastructure Investment Trusts (InvITs).

- **Bharti Airtel and Vodafone-Idea Fiber update:** Both Vodafone-Idea and Bharti Airtel have undertaken steps to demerge their fiber assets. Vodafone-Idea announced demerger of their fiber assets to a wholly owned subsidiary, Vodafone Towers Ltd. for which necessary process has been reportedly initiated. For Airtel, the Scheme of arrangement between Airtel and Telesonic, for the transfer of optical fibre cable business is pending approval by NCLT.

- **Right of Way extended to IP-1 registrant:** The DoT has issued a clarification regarding scope of Indian Telegraph Right of Way rules, 2016 and have included IP-1 as well. The said rules were framed with a view to regulate telecom infrastructure – both over ground and under-ground infrastructure.

Company Updates

- **Merger with Indus Towers:** On 25th April 2018, the shareholder operators of Bharti Infratel and Indus Towers viz. Bharti Airtel, Idea Cellular along with its subsidiary ABTL (Idea Group) and Vodafone Group Plc announced that they have agreed to merge Vodafone's, Idea Group's and Providence Equity Partners' respective shareholdings in Indus Towers into Bharti Infratel, creating a combined company that will own 100% of Indus Towers. The combined company will be a pan-India tower company, with over 163,000 towers operating across all 22 telecom service areas. The combined company, which will fully own the respective businesses of Bharti Infratel and Indus Towers, will change its name to Indus Towers Limited and will continue to be listed on the Indian Stock Exchanges. The transaction is conditional on regulatory and other approvals, including from Competition Commission of India (CCI), Stock Exchange Board Of India (SEBI), National Company Law Tribunal (NCLT), Department of Telecommunications (DoT) for FDI approval, creditors of both companies and Infratel shareholders. As on date, the Scheme of arrangement has already received approval from CCI and No Objection from the SEBI through BSE Limited and National Stock Exchange of India Limited. The meeting of shareholders and unsecured creditors of the Company was convened on February 2, 2019. The proposed resolution approving the Scheme of Arrangement was passed by the requisite majority at the respective meetings of shareholders and creditors.The second motion filed with NCLT has been admitted and also approval from DoT for FDI is awaited.

- **Settlement of Exit Charges with Ongoing Operators:** On 24th Jan, 2019, the Company announced that a settlement had been reached with ongoing operators viz. Bharti Airtel and Vodafone-Idea for exits until 30th Nov 2018. On a consolidated basis, 55% of the settlement was in cash, payable monthly in equated instalments for 36 months (12 quarters) starting January 1, 2019. For balance amounts, these operators have agreed to extend certain co-locations upon their expiry for a period of 5 years such that the Company gets 2x revenue equivalent of these balance amounts.

- **Appointment of new Chief Financial Officer (CFO):** During the year, the Company appointed Mr. S. Balasubramanian as the CFO and Key Managerial Personnel (KMP) of the Company w.e.f. August 10, 2018. Pankaj Miglani, the erstwhile CFO, has taken up a business role in Bharti Airtel Ltd.

- **Ownership Updates:** During the year, Airtel's shareholders approved transfer of upto its 32% stake in Bharti Infratel to Nettle Infrastructure Investments Limited (Nettle), a wholly owned subsidiary and subsequent transfer thereof. Subsequently, Airtel has transferred 31 cr shares to Nettle during the year. Bharti Airtel held 33.57% directly and Nettle held 19.94% of Bharti Infratel's shares as on March 31, 2019. Together the promoter holding at 53.51% as on March 31, 2019, has remained unchanged from end of last year. Meanwhile, foreign institutional ownership touched an all-time high of 43.91% as on March 31, 2019 as compared to 8.65% at the time of IPO in December 2012.

Opportunities & Threats

Opportunities

Network densification and Quality of Service Improvement

As per the latest Nokia's India Mobile Broadband Index, data traffic has grown ~30x between Dec 2015 and Dec 2018. However, based on Department of Telecommunications (DoT), the corresponding growth in BTS (2G/3G/4G) has been in the vicinity of 1.6-1.8x. This gap underpins the network congestion and relatively poor quality of service faced by consumers especially during peak hours. According to the March 2019 Speedtest Global Index, published by Speedtest.net, India was ranked 120th out of 178 countries by average wireless internet speed. The demand for wireless broadband services is expected to intensify in the coming years, driven by availability of affordable handsets, proliferation of relevant applications and rich content, affordable end-user data pricing, etc. A meaningful improvement in quality of service amidst the backdrop of continuously rising consumption, is only possible through network densification which represents new business opportunities for passive infrastructure providers like us in the form of macro and micro towers along with adjacent opportunities.

Adjacent Growth Opportunities

Considering the proliferation of data services through expansion of 3G / 4G network and infrastructure expansion across cities, we expect a likely surge in demand for small cells, fiberized backhaul, Wi-Fi hotspots, edge data centers, shareable passive infrastructure and In-building solutions (IBS) which represents new revenue opportunities for tower companies. These will also be the key components in the 'Smart Cities' - 'Digital India' project which is one of the biggest focus areas of the Government of India. Development of 'Smart Cities' is a key initiative under the 'Digital India' Program and the Government has already announced the creation of 100 'Smart Cities'. During the year, Bharti Infratel has been implementing the Bhopal Smart City project, while our Joint Venture Indus has been implementing the Smart city projects of Vadodara and New Delhi Municipal Corporation (NDMC) area. These projects will open up a new avenue of business and we believe we can replicate the benefits of the shared infrastructure model in this segment as well. We shall assess all the available opportunities and businesses that are in accordance with the Companies' philosophies and are value accretive. All such businesses will be taken up in consultation with the Board of Directors.

Brief update on the potential new revenue streams for the Company:

Fiber – While wireless backhaul solutions such as microwave and millimeter wave remain significant for telecom networks, multi-fold increase in data-driven traffic warrant the need for further investments in fiber. We keep evaluating various opportunities in this segment from time to time such as acquisitions of available fiber portfolios in the country, additional investments in laying own fiber in order to offer fiber-connected-towers to our customers, etc.

IBS installations - In-building deployments are capacity solutions and are rolled out to create more bandwidth in a small area. These solutions are particularly helpful in high foot fall areas like airports, stadiums, malls, hospitals and hotels. These solutions not only improve the user experience in the area but also free up macro network for street-level coverage. We are deploying IBS network installations for our customers at few such high footfall locations.

Wi-Fi Hotspots - The Company is looking to foray into rollout of Wi-Fi hotspots and offer B2B Wi-Fi to all the operators on a non-discriminatory basis.

5G

Based on global developments, 5G will create new use cases in various fields such as fixed wireless and connected homes in the case of telecoms, remote patient monitoring and tele-health in the case of healthcare, autonomous vehicles in the case of transportation, smart grids and smart lighting in the case of energy and utilities, industrial automation in the case of manufacturing, among many others. 5G is also expected to be deployed using significantly higher-frequency spectrum bands than 3G/4G such as mid-band 3.5-4.5Ghz and mmWave 24-42.5Ghz. This would require higher capex and opex as more number of towers and small-cells would be needed to cover a similar area vs. existing technologies. In markets like India, 5G could also be more cost-effective than providing broadband via Fiber To The Home (FTTH). This is usually referred to as fixed wireless i.e. providing a fiber-like broadband solution to customers using mobile (5G) rather than fiber. Thus, these factors could provide ideal grounds for passive infrastructure providers like us to make more investments in the future and promote sharing among operators.

Inorganic Growth

Following the consolidation on the operator side, the tower industry may also have a similar scope especially companies with smaller portfolios. Such companies/portfolios may present an inorganic growth opportunity to Infratel and Indus to enhance our scale, improve our footprint and enhance our overall business potential. We will assess these opportunities in accordance with the Companies' philosophies, if they are value accretive. All such opportunities will be explored in consultation with the Board of Directors.

Threats

Financial Health of Operators

Intense price competition has affected the financial health of operators. Our largest customers, Bharti Airtel and Vodafone-Idea are raising or have raised substantial amounts by way of rights issue, etc. to strengthen their financials. However, since our business and growth prospects mainly depend on demand from these providers in India, any deterioration in their financial health due to increased competition, adverse regulatory regime, general economic conditions, policy changes etc. can affect their ability to pay for infrastructure services, which in turn could adversely affect Bharti Infratel's and Indus' revenues and financial condition.

Further Operator Consolidation

The Indian telecom market has been witnessing operator consolidation, with the number of operators reducing from 14 at its peak to <4 in the last year. While we believe consolidation and as a result rationalization in tenancies are largely behind us, any further consolidation either in number of players or their network footprint, could lead to reduction in revenues and profitability. It may also impact the incremental revenue potential from these operators.

Increase in Competitive Intensity

As a B2B company, we see limited price elasticity i.e. increase in demand due to price cuts as we believe colocation demand is not interchangeable. Operators typically demand a certain location based on their radio planning and specific latitude/longitude requirements. However, one cannot rule out increase in competitive intensity especially as the recent consolidation has led to many tower companies witnessing sharp drop in colocations leading to material financial impact for such companies. Additionally, operators especially incumbent operators have also witnessed a sharp erosion in margins etc. with the entry of the new operator and subsequent heightened competitive intensity. Thus, their ability to pay prevailing rates for use of passive infrastructure may also decline over time. New competition may also emerge from the recently hived off tower assets from Reliance Jio, however we believe with our scale, higher tenancy ratio and long-term existing contracts, we are largely insulated from such risks.

EMF Radiation Norms

EMF radiations are the invisible electric and magnetic forces arising from the active infrastructure installed at telecom towers. WHO has referred to the International Exposure Guidelines developed by International Commission on Non-Ionizing Radiation Protection (ICNIRP). Department of Telecommunication (DoT) has already prescribed stricter precautionary limits for Electro Magnetic Field (EMF) radiation from antenna on mobile towers. The present prescribed limits for EMF radiations from Base Station in India are one-tenth (1/10th) of internationally prescribed limits of ICNIRP. In order to ensure compliance to the prescribed stricter precautionary norms of EMF radiation from antennas on mobile towers, the extensive audit of comprehensive compliance self-certificates being submitted by telecom service providers and base transceiver station (BTS) sites is carried out by Telecom Enforcement Resource & Monitoring (TERM) field units of DoT. This is regularly done by TERM units for the purpose of limiting the EMF radiation exposure and keeping general public areas in the vicinity of towers safe. In case of any non-compliance, i.e. if any BTS site is found to violate the prescribed EMF norms, severe pecuniary actions are taken including closing of BTS site as per the prescribed procedure.

DoT has also referenced on WHO report as well as 25,000 articles in the past 30 years to say that there was no confirmation of “any health consequences from exposure to low level electromagnetic fields.”

Despite these measures, in the recent past there have been concerns around the radiations and its ill effects due to which securing a site for new tower addition has become difficult in few pockets. If proper information is not disseminated to general public, it might affect tower company business adversely.

Financial Results & Operations

On a consolidated basis the Company added 826 net towers during the year. However, net co-locations declined by 32,873 (~16% of opening co-locations) due to exits as a result of operator consolidation. For the quarter ending March 31, 2019, average sharing factor stood at 1.88 times, on a consolidated basis (with a closing sharing factor of 1.87). It is important to highlight that despite such unprecedented loss of co-locations, the overall financial performance for the year ended March 31, 2019 has only been marginally lower than last year.

The Consolidated revenues for the year, at ₹145,824 Mn grew by 1% over the corresponding period last year. Our consolidated revenue comprises primarily revenues from co-locations of Bharti Infratel and 42% economic Interest in Indus Towers and energy billings.

For the quarter ending March 31, 2019, Bharti Infratel and Indus Towers had average sharing factors of 1.91 (with closing sharing factor of 1.89) and 1.86 (with closing sharing factor of 1.86) per tower, respectively.

Consolidated EBITDA declined by 6% Y-o-Y to ₹60,734 Mn, representing an operating margin of 41.6%. Consolidated EBIT declined by 6% Y-o-Y to ₹37,774 Mn. The Operating Free Cash Flow grew by 1% Y-o-Y to ₹42,367 Mn for the year. The net profit for the year was largely flat at ₹24,939 mn.

On a standalone basis, the Company added 865 net towers during the year. However, net co-locations declined by 12,324 (~14% of opening co-locations) due to exits as a result of operator consolidation. For the quarter ending March 31, 2019, average sharing factor stood at 1.91 times, on a standalone basis (with a closing sharing factor of 1.89).

The standalone revenues for the year, at ₹68,217 Mn grew by 3.1% over the corresponding period last year. Standalone EBITDA declined by 0.5% Y-o-Y to ₹31,680 Mn, representing an operating margin of 46.4%. Standalone EBIT grew by 3.7% Y-o-Y to ₹20,498 Mn. The Operating Free Cash Flow grew by 10% Y-o-Y to ₹22,432 Mn for the year. The net profit (including dividend) for the year grew by 15.1% to ₹27,790 Mn.

The financial statements of the Company have been prepared to comply in all material respects with the Indian Accounting Standard (Ind AS) notified under Section 133 of the Companies Act, 2013, read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 issues by the Ministry of Corporate Affairs.

The following table shows a summary of key ratios on a standalone basis and their improvement showcasing the robustness of the business model of the Company.

Parameters	Unit	Full Year Ended		YoY %
		Mar-19	Mar-18	
Debtors Turnover[1]	Times	16.64	23.04	-28%
Current Ratio[2]	Times	2.42	4.21	-43%
Debt Equity Ratio	Times	0.00	-	
Operating Profit Margin (%)	%	47.6%	47.6%	0%
Net Profit Margin (%)	%	40.7%	36.5%	12%
Interest Coverage Ratio	Times	59.89	68.50	-13%
Inventory Turnover	NA	NA	NA	
Average Sharing Factor	Times	1.91	2.29	-17%
Closing Sharing Factor	Times	1.89	2.24	-16%
Sharing Revenue per Tower p.m	₹	82,460	83,040	-1%
Sharing Revenue per Sharing Operator p.m	₹	42,143	41,632	1%
Return on Shareholder's Equity Pre Tax	%	24%	20%	17%
Return on Shareholder's Equity Post tax (Return on Net worth)[3]	%	16%	13%	20%

1 Debtors Turnover Ratio decreased year on year, due to increase in trade receivables as on March 31, 2019.

2 Current Ratio decreased year on year, due to decrease in investments driven by payment of dividend during the financial year ended March 31, 2019.

3 Return on Net worth increased year on year, due to increase in revenue resulting increase in profit after tax and decrease in reserves driven by dividend distribution for the year.

Risks & Concerns

The following section discusses the various aspects of enterprise-wide risk management. Readers are cautioned that the risk related information outlined here is not exhaustive and is for information purpose only.

Bharti Infratel believes that risk management and internal control are fundamental to effective corporate governance and development of a sustainable business. Bharti Infratel has a robust process to identify key risks across its operations and prioritize relevant action plans that can mitigate these risks. Key risks that may impact the Company's business include:

General Economic Conditions in India

A significant change in the government's policies, other global and domestic macro factors, could affect business and economic conditions in India and could also adversely affect our financial condition and results of operations.

Changes in Regulatory Environment

Despite huge improvements, the regulatory environment in India continues to be challenging. Regulatory developments will have significant implications on the future of telephony as well as India's global competitiveness. Any adverse regulatory changes, changes in taxation and policies may affect the profitability outlook of the Company.

Natural Disasters Damaging Telecom Networks

The Company's telecom networks are subject to risks from natural disasters or other external factors. The Company maintains insurance for its assets, equal to the replacement value of its existing telecommunications network, which provides cover for damage caused by fire, special perils and terrorist attacks. Such failures and natural disasters even when covered by insurance may cause disruption, though temporary, to the Company's operations. The Company has been investing significantly in business continuity plans and disaster recovery initiatives which will enable it to continue with normal operations and offer seamless service to our customers under most circumstances.

Technological Changes Affecting the Tower Demand

The potential future demand for towers could be affected by technological changes and advancements. There have been some trials in the past of new technologies which can provide wireless broadband access by placing balloons or low orbit satellites in the air thus bypassing the need for towers.

None of these solutions have been commercially/technically deployed yet and the cost is also unclear. We don't foresee any risk in near future and the Company keeps assessing all the new technology advancements in the sector for better understanding and preparedness.

Internal Control Systems

The Chief Executive Officer (CEO) and Chief Financial Officer (CFO) are accountable for financial controls, measured by objective metrics on accounting hygiene and audit scores. The Company has deployed a robust system of internal controls that facilitates the accurate and timely compilation of financial statements and management reports, ensures regulatory and statutory compliance, and safeguards investor interest by ensuring the highest level of governance and periodic communication with investors. The Audit and Risk Management Committee reviews the effectiveness of the internal control system across the Company and also invites the senior management / functional heads to provide an update on their functions from time to time. A CEO and CFO Certificate included in the Corporate Governance Report confirms the existence of effective internal control systems and procedures in the Company. The Company's Internal Assurance Group also conducts periodic assurance reviews to assess the adequacy of internal control systems and reports to the Audit and Risk Management Committee of the Board.

The Company has enhanced its internal control systems across all circle operations by significantly improving the quality and frequency of various reconciliations, enhancing the scope and coverage of revenue assurance checks, segregation of duties, rolling out of self-validation checks, regular physical verification, systems audits, desktop reviews as well as continuous training and education. Bharti Infratel is certified by British Standards Institution (BSI) on Information Security (ISO 27001) and Business Continuity (ISO 22301) Management Systems. During the year, we also secured ISO 9001 certification in a record time. This is a testimony of the great controls and documentation which we have imbibed in our day-to-day working and culture. With regular trainings and awareness sessions, all Infratel employees have been certified in the same. We are extremely protective of our customers' privacy and take reasonable measures to ensure the security of personal data that we collect, store, process or disseminate. Successful ISO certification reiterates our commitment towards providing our customers with a secure and trustworthy service. This is ensured through agreements and contracts which involve accessing, processing, communicating or managing the partner's information.

In summary, the healthy balance between empowerment and accountability at every operating level fosters a culture of responsible growth and well-judged risk taking.

Human Resources

At Bharti Infratel, we believe people excellence is the foundation for building a culture of service excellence. Our aim is to sustain our fervor as an employer of choice and we have outlined our key focus areas during the year to achieve that goal.

We completed 11 glorious years of our establishment last year. For an eleven year old organization growing at a steady pace, it is important that the organization culture is well defined and articulated amongst all employees. Infratel is a B2B company with little or no brand presence for the end customer. It is therefore imperative for us to make our presence felt as a preferred employer to potential employee segments enabling us to attract and retain the 'right' fits from across industries. We realized that the first step to creating an employer brand was to define and articulate the culture for Bharti Infratel which will be our USP and differentiating factor as a brand for external and internal employees. We therefore conducted a study not only to define and articulate the culture at Bharti Infratel but also create a transformation roadmap for enabling change and aligning our systems and processes to the organization and leadership expectation. The clear themes emerging out of the study were around Collaboration, People Orientation and Innovation.

Safety is viewed as a key parameter to demonstrate commitment to our people and the community at large. It is an integral part of our decision-making and is the prime consideration in all spheres of our activities. We have an effective Safety Policy in place that strives for zero fatality and prevents all workplace injuries. In order to ensure safe work practices, Cardinal Safety Rules and Consequence Management Matrix have been framed and implemented. This year to drive better awareness and consciousness on Safety we observed National Safety Week from March 4th-11th, through Slogan contest, poster making, Safety quiz, My Safety Story, etc. Safety Training continues to be an area of focus where we ensure all new joiners complete mandatory safety training and existing employees go through refresher training.

With employee strength of nearly 1235 (on Standalone basis) spread across our 11 circles and 74 zones, Last Mile Connect continues to be critical to drive and uphold employee motivation, engagement and loyalty. Connect forums & open house sessions were held across locations. The teams were recognized for their efforts and they were made aware of the processes and policies. Special emphasis was placed towards induction and orientation of new employees.

In our continued endeavor to increase the Gender Diversity within the organization, we took an atypical route to attract women talent both at the field and non-field roles. We were successful in creating an audio visual depicting the opportunities, challenges and the work environment that we provide to our employees. We have seen positive traction with the overall Diversity Numbers move from 9.4% to 10.4% and with field roles Diversity number improving from 11% to 16%. In order to retain our women talent, there in on-going effort to conduct Gender Sensitization workshops across geographies to increase awareness about the individual differences that both sexes bring to work. The two pronged approach of attraction and retention has shown sustainable results.

To enable employees to take onus of their development, Infratel has partnered with Lynda - LinkedIn Learning for accessing world class content on the go! This was a revolutionary step as with digitalization, employees can fulfil multi-level skill development by advancing from basic to expert level for any particular skill at his/her own pace. With 98% activation rate of Linkedin Learning, employees have been accessing customized learning paths to fulfil individual capability gaps. While new employees receive training to familiarize them with our operations and processes, the existing employees were trained to enhance their efficiency levels by classroom interventions, e-learning programs, coaching, external certifications, Management Development Programs from elite institutes like ISB, IIMs. With our continuous commitment towards holistic development of our employees, we recognise that there are other sources of professional development in addition to internal trainings by way of sponsored diploma/ degree qualification upskilling. At Infratel, we strongly believe in empowering our employees through taking charge of their career and development, thereby co- creating their own individual trajectories. 100% of the employees who had self-nominated for developmental interventions were trained in FY 2018-19. 100% mandatory e-learning compliance has been ensured for FY 2018-19.

Report on Corporate Governance

In accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and some of the best practices followed internationally on Corporate Governance, the following report on governance lays down the ethos of Bharti Infratel Limited and its commitment to conduct business in accordance with sound Corporate Governance practices.

Governance Philosophy

Pursuant to Regulation 34 of the Listing Regulations and Companies Act, 2013, the report contains the details of Corporate Governance system and process at Bharti Infratel Limited ("Company"). We believe in adopting the well accepted Corporate Governance practices, benchmark the same to the best governed companies and strive to improve them continuously.

Our Corporate Governance is a reflection of our value system encompassing our culture, polices and relationships with our stakeholders. Integrity and transparency are key to our Corporate Governance practices and performance and we ensure that we gain and retain the trust of stakeholders at all the times. Our guiding principles and practices are summarized in this Corporate Governance Report. These are articulated through the Company's Code of Conduct, charters of various committees of the Board and Company's disclosure policies. These policies seek to focus on enhancement of long term shareholder value without compromising on Ethical Standards and Corporate Social Responsibilities.

The Board of Directors in our Company is at core of our Corporate Governance practice and oversees how the management serves and protects the long term interests of our stakeholders. Our Corporate Governance framework ensures that we make timely disclosures and share accurate information regarding our financials and performance.

Our Corporate Governance philosophy and practices are based on the following principles:

- Well-experienced and diverse Board of Directors;
- Adoption of transparent procedures and practices and arriving at decision on the strength of adequate information;
- Ensuring compliance with regulatory and fiduciary requirements in letter and spirit;
- High levels of disclosures for dissemination of corporate, financial and operational information to all its stakeholders;
- Adoption of policy on terms and conditions of appointment of Independent Directors and a code of conduct for Directors and senior management;
- Formation of various committees like Audit & Risk Management Committee; HR, Nomination and Remuneration Committee; Stakeholders' Relationship Committee; Corporate Social Responsibility Committee and Committee of Directors to oversee specific areas and focus on diverse matters;
- Ensuring complete and timely disclosure of relevant operational information to enable the Board to play an effective role in guiding strategy;
- Meeting of Independent Directors without the presence of any Non-Independent Director or representative of Management to identify areas where they need more clarity or information and then put them before the Board;
- Reviewing regularly and establishing effective meeting practices that encourage active participation and contribution from all Board members;
- Independence of Directors in reviewing and approving corporate strategy, major business plans and activities;
- Well defined corporate structure that establishes checks and balances and delegates decision making to appropriate levels in the organization, though the Board remains in effective control of the affairs of the Company at all times.

Governance Structure

The Corporate Governance structure of the Company is multi-tiered, comprising governing/functional business management boards at various levels, each of which is interlinked in the following manner:

a) Strategic supervision and direction – by the Board of Directors, who exercise independent judgment in overseeing management performance on behalf of the shareowners and other stakeholders and hence, play a vital role in the oversight and management of the Company;

b) Control and implementation – by the Infratel Executive Committee, chaired by the Managing Director & Chief Executive Officer. This team owns and drives company-wide processes, systems and policies and meets on a monthly basis to review execution of business strategy and ensures that operational synergies are achieved. This team also functions as a role model for leadership development and as a catalyst for imbibing customer centricity and meritocracy in the culture of the Company;

c) Operations management – by the Circle Executive Committee, headed by the Circle Business Head, for day-to-day management and decision making, focused on enhancing the efficiency and effectiveness of the circle business indicators; and

d) Risk Steering Committee which monitors the effectiveness of the risk management policy, and reviews the progress on the risk mitigation steps being taken by the Company.

Our governance structure helps in clearly determining the responsibilities and entrusted powers of each of the business entities, thus enabling them to execute those responsibilities in the most effective manner. It also allows us to maintain our focus on the organizational DNA and current & future business strategy, besides enabling effective delegation of authority and empowerment at all levels.

Board of Directors

Board Diversity and Structure

The Company recognizes and embraces the importance of a diverse board in its success. We believe that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, industry experience, cultural and geographical background which will help us retain our competitive advantage. The Board has adopted a Policy which sets out the approach to diversity of the Board of Directors.

The Company has a broad-based Board of Directors, constituted in compliance with the Companies Act, 2013, Listing Regulations and in accordance with the best practices in Corporate Governance. The Board functions either as a full Board or through various committees constituted to oversee specific areas. Policy formulation, setting up of goals, evaluation of performance and control functions vest with the Board.

Composition of the Board

The Board of Directors, along with its committees, provides leadership and guidance to the Company's management and directs, supervises and controls the performance of the Company. The Company's Board is an optimum mix of Executive, Non-Executive and Independent Directors to maintain the independence of the Board and separate its functions of governance and management. As on March 31, 2019, the Board comprises 11 members with an Executive Chairman, a Managing Director & Chief Executive Officer, besides 3 Non-Executive Non-Independent Directors and 6 Non-Executive Independent Directors, of which two are women directors.

Detailed profile of each of the Directors is available on the website of the Company at www.bharti-infratel.com.

The Board reviews its strength and composition from time to time to ensure that it remains aligned with the statutory, as well as business requirements.

Skill Matrix of the Board

The Board has identified the following skills/ expertise/competencies fundamental for effective functioning of the Company which are currently available with the Board:

Strategic Leadership Skills	Appreciation of long-term trends, strategic choices and experience in guiding and leading management teams
Financial and Risk Management	Wide-ranging financial skills, accounting and reporting, corporate finance and internal controls, including assessing quality of financial controls Identify the key risks to the Company and monitor the effectiveness of the risk management framework and practices
Governance	Experience in developing governance practices, serving the best interest of all stakeholders, maintaining board and management accountability, effective stakeholder engagements and commitment to highest standards of corporate ethics and values
Health, Safety, environment and sustainability	Experience and knowledge of working on environment, health, safety, sustainability and corporate social responsibility activities directly or as a part of operational responsibility for long-term value creation
Industry and sector experience or knowledge	Knowledge and experience in telecom sector to provide strategic guidance to the management
Technology and digital expertise	Background in technology, anticipation of technological trends, suggestions and creation of emerging business ideas

Independent Directors

The Company has a policy on Independent Directors stipulating their roles, responsibilities and duties which is consistent with the provisions of the Listing Regulations, Section 149 and Schedule IV of the Companies Act, 2013. The policy sets out the criteria of independence, age limits, recommended tenure, committee memberships, remuneration and other related terms of appointment. The policy emphasises on importance of independence.

The Company has issued letter of appointment(s) to all the Independent Directors and the terms and conditions of their appointment have been disclosed on the website of the Company i.e. www.bharti-infratel.com.

At the time of appointment and thereafter at the beginning of each financial year, the Independent Directors submit a self-declaration, confirming their independence and compliance with various eligibility criteria laid down by the Company, among other disclosures and the Company also ensures that its Directors meet the above eligibility criteria. All such declarations are placed before the Board for information.

All the Independent Directors of the Company fulfill the conditions specified in the Listing Regulations and Companies Act, 2013 and are independent of the management.

Lead Independent Director

The Company since a long time has followed a practice of appointing a Lead Independent Director. Narayanan Kumar has been designated as the Lead Independent Director and his roles and responsibilities, inter alia, are to:

- Preside over all meetings of Independent Directors.
- Ensure that there is an adequate and timely flow of information between the Management and the Board.
- Provide objective feedback of the Independent Directors as a group to the Board on various matters including agenda and other matters relating to the Company.
- Perform such other roles as may be requested from time to time by the Board/ Independent Directors.

Meetings of Independent Directors

The Independent Directors meet separately at least once in a quarter, prior to the commencement of Board meeting, without the presence of Non-Independent Directors or representatives of Management. They meet to discuss and form an independent opinion on the agenda items, various other Board-related matters, identify areas where they need clarity or information from the Management, annually review the performance of Non-Independent Directors, the Board as a whole and the Chairman of the Company taking into account the view of Executive Directors and Non- Executive Directors and assess the quality, quantity and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The Independent Directors also meet with the Statutory as well as Internal Auditors from time to time, in the aforesaid meeting, to discuss internal audit effectiveness, control environment and invite their general feedback. The Lead Independent Director updates the Board about the outcome of the meetings and action, if any, required to be taken by the Company.

During the financial year 2018-19, the Independent Directors met four times on April 23, 2018; July 25, 2018; October 24, 2018 and January 23, 2019.

Familiarization Programme for Board Members

The Company has adopted a structured induction programme for orientation and training of Directors at the time of their joining so as to provide them with an opportunity to familiarize themselves with the Company, its management, its operations and the industry in which the Company operates.

The induction programme includes one-to-one interactive sessions with the top management team, business and functional heads among others and also includes site visits to understand the operations and technology. Apart from the induction program, the Company periodically presents update at the Board/Committee meetings to familiarize the Directors with Company's strategy, business performance, operations, finance, risk management framework, human resources and other related matters.

At the time of appointment, an appointment letter setting out the role, functions, duties and responsibilities, details regarding remuneration, training and development, performance evaluation process etc. is also given to the Directors. The Board also has an active communication channel with executive management which allows free flow of communication among Directors in terms of raising query, seeking clarifications for enabling a good understanding of the Company and its various operations.

Business updates on relevant changes are regularly circulated to the Directors to keep them abreast on significant developments in the Company.

The details of such familiarization programs are disclosed on the website of the Company at https://www.bharti-infratel.com/cps-portal/web/corporate_gov.html#4.

Board Meeting Schedules and Agenda

The Board meetings are held within 45 days from the end of the quarter in the manner that it coincides with the announcement of quarterly results. Time gap between two consecutive meetings does not exceed 120 days. In case of an urgent necessity, additional Board meeting is called.

The Audit & Risk Management Committee, CSR Committee, HR, Nomination and Remuneration Committee and Stakeholders' Relationship Committee meetings are held on the same dates as Board meetings. To ensure an immediate update to the Board, the Chairman of the respective Committee briefs the Board about the proceedings of the respective Committee meetings.

The Company Secretary, in consultation with the Chairman, prepares Board and Committee meetings' agenda. The detailed agenda along with explanatory notes and annexures, as applicable are sent to the Board and Committee members at least a week before the meetings except for meetings called at a shorter notice. In special and exceptional circumstances, additional or supplementary item(s) are permitted to be taken up as 'any other item' with the permission of the Chairman and consent of majority of Board member/ Committee members. Sensitive subject matters are discussed at the meeting without written material being circulated in advance.

As a process, prior to each Board / Committee meeting, proposals are invited from all the Directors for discussion / deliberation at the meeting(s) and these are included in the agenda of the meeting.

CFO and other Senior Management members are invited to the Board meetings to present reports on the items being discussed at the meeting. In addition, the functional heads of various business segments / functions are also invited at regular intervals to present updates on their core area.

Information available to the Board

The Board has complete access to all the relevant information within the Company and to all the employees of the Company. The information shared on a regular basis with the Board specifically includes:

- Annual operating plans, capital budgets and updates therein;
- Quarterly and annual consolidated and standalone results & financial statements for the Company;
- Minutes of meetings of the Board and Board Committees, resolutions passed by circulations and Board minutes of the unlisted subsidiary companies;
- Information on recruitment / remuneration of senior officers just below Board level;
- Material important show cause, demand, prosecution notices and penalty notices, if any;
- Fatal or serious accidents, dangerous occurrences, material effluent or pollution problems, if any;
- Any material default in financial obligations to and by the Company or substantial non-payment for services provided by the Company;
- Any issue which involves possible public or product liability claims of substantial nature, if any;
- Human resource updates and strategies;
- Quarterly treasury reports;
- Quarterly compliance certificates with the 'Exceptions Reports', if any, which includes non-compliance of any regulatory, statutory nature or listing requirements and shareholders service;
- Disclosures and declaration received from Directors;
- Proposals requiring strategic guidance and approval of the Board;
- Related party transactions;
- Regular business updates;
- Update on Corporate Social Responsibility activities;
- Report on action taken on last Board meeting decisions.

Number of Board Meetings

During the FY 2018-19, the Board met 6 times i.e. on April 23, 2018; April 24, 2018; June 22, 2018; July 25, 2018; October 24, 2018 and January 23, 2019. The Board approved 3 matters through resolution by circulation during FY 2018-19 and the same were presented in the next meeting for its noting.

Requisite information, according to the requirements of Regulation 17 of the Listing Regulations is provided below:

Name of Director (DIN)	Category	Number of other directorships[1]	Name of listed entity where person is director along with category of directorship[1]	Number of committee memberships and chairmanships[2]		No. of Meetings held during his/her tenure and attended		Whether attended last AGM
				Chairman	Member	Held	Attended	
Akhil Gupta (DIN-00028728)	Chairman-Executive Director	11	-	Nil	Nil	6	5	Yes
Anita Kapur (DIN-07902012)	Independent Director	2	-	Nil	1	6	4*	No
Bharat Sumant Raut (DIN-00066080)	Independent Director	7	-	2	1	6	6#	Yes
D S Rawat (DIN-06798626)	Managing Director & CEO	1	-	Nil	Nil	6	6	Yes
Jitender Balakrishnan (DIN-00028320)	Independent Director	9	1) India Glycols Limited – Independent Director 2) Polyplex Corporation Limited – Independent Director 3) Usha Martin Limited – Independent Director 4) Sarda Energy and Minerals Limited – Independent Director 5) CG Power and Industrial Solutions Limited - Independent Director	3	4	6	6*	Yes
Leena Srivastava (DIN-00005737)	Independent Director	1	1) Shree Cement Limited – Independent Director	Nil	Nil	6	6*	Yes

Name of Director (DIN)	Category	Number of other directorships[1]	Name of listed entity where person is director along with category of directorship[1]	Number of committee memberships and chairmanships[2]		No. of Meetings held during his/ her tenure and attended		Whether attended last AGM
				Chairman	Member	Held	Attended	
N Kumar (DIN-00007848)	Independent Director	13	1) Take Solutions Limited – Independent Director 2) Entertainment Network (India) Limited – Independent Director 3) MRF Limited – Independent Director 4) Larsen and Toubro Limited - Independent Director 5) L&T Technology Services Limited - Independent Director 6) Mphasis Limited - Independent Director	4	3	6	5*	No[3]
Prakul Kaushiva[4] (DIN-08285582)	Non-Executive Director	Nil	-	Nil	Nil	0	0	NA
Rajan Bharti Mittal (DIN-00028016)	Non-Executive Director	15	-	2	Nil	6	6	Yes
R P Singh (DIN-02943155)	Independent Director	3	1) Maruti Suzuki India Limited – Independent Director	Nil	3	6	6*	Yes
Sanjay Nayar[5] (DIN- 00002615)	Non-Executive Director	N.A.	N.A.	N.A.	N.A.	6	2*	No
Tao Yih Arthur Lang[6] (DIN-07798156)	Non-Executive Director	1	-	Nil	2	6	5*	No

1. The Directorships, held by Directors, as mentioned above, do not include the Directorships held in foreign companies / body corporates and Bharti Infratel Limited.
2. Committees considered for the purpose are those prescribed under the Listing Regulations viz. Audit Committee and Stakeholders' Relationship Committee of Indian public limited companies other than Bharti Infratel Limited. Committee memberships details provided do not include chairmanship of committees as it has been provided separately.
3. Leena Srivastava, member of HR, Nomination and Remuneration Committee represented N Kumar, Chairman of HR, Nomination and Remuneration Committee at the AGM.
4. Prakul Kaushiva was appointed as a director w.e.f. January 24, 2019.
5. Sanjay Nayar resigned w.e.f January 23, 2019.
6. Tan Yong Choo attended the Board meeting held on July 25, 2018 as an Alternate Director to Tao Yih Arthur Lang.

*This includes one meeting attended through video conferencing.

#This includes one meeting attended through audio conferencing.

Notes:

- There are no inter-se relationships between our Board members.
- As on March 31, 2019, apart from Akhil Gupta, Chairman and D S Rawat, Managing Director & CEO who holds 1,552,217 and 104,367 equity shares respectively.No other Director of the Company holds shares in the Company.

Remuneration to Directors

The details of the remuneration to Directors for FY 2018-19 is given below:

(Amount in ₹)

Name of the Director(s)	Salary and Allowances[1]	Performance Linked Incentive	Perquisites[2]	Commission[3]	Total
Executive Directors					
Akhil Kumar Gupta	69,035,178	19,800,000	39,600	-	88,874,784
D S Rawat	22,045,138	12,295,750	-	-	34,340,888
Non-Executive Directors					
Anita Kapur	-	-	-	1,500,000	1,500,000
Bharat Sumant Raut	-	-	-	2,000,000	2,000,000
Jitender Balakrishnan	-	-	-	1,500,000	1,500,000
Leena Srivastava	-	-	-	1,500,000	1,500,000
N. Kumar	-	-	-	1,125,000	1,125,000
Rajan Bharti Mittal	-	-	-	750,000	750,000
Rajinder Pal Singh	-	-	-	1,500,000	1,500,000
Sanjay Nayar	-	-	-	375,000	375,000
Tao Yih Arthur Lang	-	-	-	750,000	750,000
Total	**91,080,316**	**32,095,750**	**39,600**	**11,000,000**	**134,215,666**

1. The salary and allowance includes the Company's contribution to the Provident Fund.
2. This does not include perquisite value as mentioned in Annexure K annexed with the Board's Report with respect to exercise of stock options granted to D S Rawat.
3. Provision for profit based commission for FY 2018-19.

Notes:

- The value of the perquisites is calculated as per the provisions of the Income Tax Act, 1961.
- During the year, D S Rawat was granted 31,972 stock options on July 25, 2018 under ESOP Scheme 2014 of the Company at an exercise price of ₹10 per option, with vesting period spread over 3 years. The options can be converted into equity shares either in full or in tranches at any time upto seven years from the date of vesting. The unexercised vested options can be carried forward throughout the exercise period. The options which are not exercised will lapse after the expiry of the exercise period. No other Director has been granted any stock option during the year.
- No notice period or severance fee is payable to any Director.
- Performance Linked Incentive (PLI) is based on the actual payout made during the year.
- There were no other pecuniary relationships or transactions of Non-Executive Directors vis-a-vis the Company.
- During FY 2018-19, the Company did not pay any sitting fees to the Directors.
- The Company has entered into contracts with the executive directors i.e. Akhil Kumar Gupta dated July 24, 2018 and with D S Rawat dated July 22, 2017. These are based on the approval of the shareholders. There are no other contracts with any other director.

Nomination, Remuneration & Board Diversity

In terms of the Listing Regulations and Companies Act, 2013, the Board has approved a Policy on Nomination, Remuneration and Board Diversity for Directors, KMPs and other Senior Management Personnel.

The Company's remuneration policy is directed towards providing rewards linked directly to performance, effort, dedication and achievement of Company's targets.

The criteria of making payments to Non-Executive Directors forms part of the Policy on Nomination, Remuneration and Board Diversity. The detailed Nomination, Remuneration and Board

Diversity Policy is annexed as Annexure B to the Board's Report. The Company affirms that the remuneration paid to the Directors is as per terms laid out in the Nomination, Remuneration and Board Diversity Policy of the Company.

Board Committees

In compliance with the statutory requirements, the Board has constituted various committees with specific terms of reference and scope. The objective is to focus effectively on the issues and ensure expedient resolution of the diverse matters. The Committees operate as the Board's empowered agents according to their charter / terms of reference. The Constitution and charter of the Board Committees are available on the Company's website www.bharti-infratel.com and are also stated herein.

Audit & Risk Management Committee

As on March 31, 2019, Audit & Risk Management Committee comprises 5 Directors, out of which 4 members are Independent Directors and 1 member is a Non-Executive Director. The Chairman of the Audit & Risk Management Committee, Bharat Sumant Raut, Independent Director has sound financial knowledge as well as many years of experience in general management. All members of Audit & Risk Management Committee, including the Chairman, have accounting and financial management expertise. The composition of the Audit & Risk Management Committee meets the requirements of Section 177 of the Companies Act, 2013 and the Listing Regulations.

The Company Secretary is the secretary to the Committee. The Managing Director & CEO, Chief Financial Officer, the Statutory Auditor, the Internal Auditor and the Internal Assurance Partners are permanent invitees of Audit & Risk Management Committee.

The Chairman of the Audit & Risk Management Committee was present at the last Annual General Meeting held on July 24, 2018.

Key Responsibilities of the Audit & Risk Management Committee, inter-alia, includes:

Audit Related:

- Oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Recommend to the Board in respect of the appointment (including the filling of a casual vacancy), resignation or dismissal, remuneration and terms of appointment of the statutory auditor, internal auditors, cost auditors;
- Pre-approve limits in respect of non-audit services provided by the statutory auditor;
- Discuss with the statutory auditor, before the audit commences, the nature and scope of the audit to be conducted; also conduct post-audit discussion to ascertain any areas of concern;
- Review with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the Directors' responsibility statement, included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - Changes, if any, in accounting policies and practices and reasons for the same;
  - Major accounting entries involving estimates based on the exercise of judgement by management;
  - Significant adjustments made in the financial statements arising out of audit findings;
  - Compliance with listing and other legal requirements relating to financial statements;
  - Disclosure of all related party transactions;
  - Qualifications in the draft audit report;
  - Management discussion and analysis of financial condition and results of operations;
  - Statement of significant related party transactions with specific details of the transactions, which are not in the normal course of business or the transactions which are not at arms' length price;
  - Quarterly compliance certificates confirming compliance with laws and regulations, including any exceptions to these compliances;
  - Management letter/letters of internal control weaknesses issued by the statutory auditors;

  - Internal audit reports relating to internal control weaknesses;
  - The financial statements, in particular the investments, if any, made by unlisted subsidiary companies.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Review the implementation of Company's financial and risk management policies, and implementation of treasury policies & strategies and status of investor relation activities;
- To oversee the functioning of the Vigil / Whistle Blower mechanism;
- Review the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors, if any;
- Approve the appointment, re-appointment and removal of Chief Financial Officer of the Company after assessing the qualifications, experience and background, etc. of the candidate;
- Ensure that the internal audit function is effective, adequately resourced, and to review the coordination between internal and statutory auditors and (where relevant) the risk management department;
- Review the state and adequacy of internal controls with key members of management, statutory auditors and internal auditors;
- Discuss with the internal auditor the coverage and frequency of internal audits as per the annual audit plan;
- Review & monitor the auditor's independence, performance & effectiveness of audit process;
- Review the findings of any internal investigation by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and report the matter to the Board;
- Scrutiny of inter-corporate loan & investments;
- Monitoring & Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, right issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or right issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Appointment of registered valuers;
- Evaluation of internal financial controls and risk management systems;
- Approval or any subsequent modification of transactions of the company with related parties;
- Consider other functions, as defined by the Board, or as may be stipulated under any law, rule or regulation including the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013.
- To formulate and review risk management policy;
- To implement, monitor and review the risk management framework, the risk management plan and related matters; and
- To delegate above said authorities to sub-committees, whenever required.

Powers of the Audit & Risk Management Committee:

- To investigate any activity within its terms of reference;
- To seek information from any employee;
- To obtain outside legal or other professional advice;
- To secure attendance of outsiders with relevant expertise, if it considers necessary;

Meeting, Attendance and Composition of the Audit & Risk Management Committee

During FY 2018-19, the Audit & Risk Management Committee met 5 times i.e. on April 23, 2018; April 24, 2018; July 25, 2018; October 24, 2018 and January 23, 2019. The time gap between two meetings was less than 120 days.

All recommendations made by the Audit & Risk Management Committee were accepted by the Board.

The Committee approved 1 matter through resolution by circulation during FY 2018-19 and the same was presented in the next meeting for its noting.

The composition of the Committee as on March 31, 2019 and the attendance of members at the meetings held during FY 2018-19 are given below:

Name of Members	Category	No. of Meetings held during his/her tenure and attended	
		Held	Attended
Bharat Sumant Raut – Chairman	Independent Director	5	5
Anita Kapur[1]	Independent Director	2	2
Jitender Balakrishnan	Independent Director	5	5
Rajinder Pal Singh	Independent Director	5	5
Sanjay Nayar[2]	Non-Executive Director	5	1
Prakul Kaushiva[3]	Non-Executive Director	0	0

1. Anita Kapur was appointed as the member of the Committee w.e.f. conclusion of Board meeting dated July 25, 2018.
2. Sanjay Nayar ceased to be the member of the Committee w.e.f January 23, 2019.
3. Prakul Kaushiva was appointed as a member of the Committee w.e.f. January 24, 2019.

Consolidated fees paid to statutory auditor

Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditors and all entities in the network firm/network entity for FY 2018-19 of which it is a part -

Fees paid by Bharti Infratel Limited	6,503,650
Fees paid by Smartx Services Limited	322,500
Total Fees paid	6,829,150

HR, Nomination and Remuneration Committee

As on March 31, 2019, the HR, Nomination and Remuneration Committee comprises 4 Non-Executive Directors, of whom 2 members are Independent Directors. N. Kumar, Independent Director is the Chairman of the Committee. The composition of the Committee meets the requirements of Section 178 of the Companies Act, 2013 and the Listing Regulations. The Company Secretary acts as the secretary of the Committee. The Chief Human Resource Officer is permanent invitee to the Committee meetings. Other senior management members are also invited to the meeting to present reports relating to the items being discussed at the meeting.

Leena Srivasatva, member of the Committee attended the last Annual General Meeting held on July 24, 2018 on behalf of N Kumar, Chairman of the Committee.

Key Responsibilities of the HR, Nomination and Remuneration Committee, inter-alia, includes:

HR Related:

- Attraction and Retention strategies for employees;
- Formulation and recommendation to the Board, a policy relating to remuneration of directors, key managerial personnel and other employees;
- Determine the compensation (including salaries and salary adjustments, incentives/benefits, bonuses) and Performance targets of the Chairman and of the Managing Directors & CEOs;
- Review employee development strategies;
- Assess the learning and development needs of the directors and recommend learning opportunities which can be used by them to meet their needs for development;
- Review its Terms of Reference on an annual basis and recommend any changes to the Board;
- Review all human resource related issues including succession plan of key personnel;
- Approve the remuneration payable to managerial persons in case of no profit or inadequate profit taking into account the financial position of the company, trend in the industry,

appointee's qualification, experience, past performance, past remuneration while bringing objectivity in determining the remuneration package while striking a balance between the interest of the company and the shareholders.

ESOP Related:

- Formulation of ESOP plans and decide on future grants from time to time;
- Formulation of terms and conditions under the present ESOP Schemes of the Company with respect to:
  - (i) Quantum of options to be granted under ESOP Scheme(s) per employee and in the aggregate under a plan;
  - (ii) Performance conditions attached to any ESOP Plan;
  - (iii) Conditions under which options vested in employees may lapse in case of termination of employment for misconduct;
  - (iv) Exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;
  - (v) Specified time period within which the employee must exercise the vested options in the event of termination or resignation of an employee;
  - (vi) Right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
  - (vii) Procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of rights issues, bonus issues and other corporate actions;
  - (viii) Grant, vest and exercise of option in case of employees who are on long leave; and the procedure for cashless exercise of options;
  - (ix) Any other matter which may be relevant for administration of ESOP schemes from time to time.
- Other key issues as may be referred by the Board.

Nomination Related:

- Formulate the criteria / policy for appointment of directors, senior management. The criteria / policy to include qualifications, positive attributes and independence of a director;
- Review and recommend the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and Board Committees;
- Identify and recommend to the board, persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and their removal thereof;
- Evaluate the balance of skills, knowledge, experience and diversity on the Board for description of the role and capabilities required for particular appointment;
- Review succession planning for Executive and Non-Executive Directors and other senior executives particularly the Chairman, Managing Director and CEO;
- Recommend suitable candidate for the role of Lead Independent Director;
- Recommend the appointment of any director to executive or other employment/place of profit in the Company;
- Conduct an annual evaluation of overall effectiveness of the Board, the committees of the Board and the performance of each director.

The HR, Nomination and Remuneration Committee shall also consider any other key issues/ matters as may be referred by the Board or as may be stipulated under any law, rule or regulation including Listing Regulations.

Meeting, Attendance and Composition of the HR, Nomination and Remuneration Committee

During FY 2018-19, the Committee met 4 times i.e. on April 23, 2018; July 25, 2018; October 24, 2018 and January 23, 2019.

The Committee approved 1 matter through resolution by circulation during FY 2018-19 and the same was presented in the next meeting for its noting.

The composition of the Committee as on March 31, 2019 and the attendance of members at the meetings held during FY 2018-19 are given below:

Name of Members	Category	No. of Meetings held during his/her tenure and attended	
		Held	Attended
N. Kumar – Chairman	Independent Director	4	3
Leena Srivastava	Independent Director	4	4
Rajan Bharti Mittal	Non-Executive Director	4	4
Tao Yih Arthur Lang	Non-Executive Director	4	3*

* This includes one meeting attended through video conferencing.

Board Evaluation

In compliance with the provisions of the Companies Act, 2013 and the Listing Regulations, HR, Nomination and Remuneration Committee has approved the process, attributes, criteria and format for the performance evaluation of the Board, Board Committees and Individual Directors including the Chairman and Managing Director & CEO.

The process provides that the performance evaluation shall be carried out on an annual basis. During the year, the Directors completed the evaluation process which included evaluation of the Board as a whole, Board Committees and individual Directors including the Chairman and MD & CEO. The evaluation process was facilitated by an independent leading consulting firm.

Performance of the Board and Board Committees was evaluated on various parameters such as structure, composition, quality, diversity, experience, competencies, performance of specific duties and obligations, quality of decision-making and overall Board effectiveness.

Performance of individual Directors was evaluated on parameters such as attendance at the meetings, participation and contribution, responsibility towards stakeholders and independent judgement.

The Chairman and Managing Director & CEO were evaluated on certain additional parameters such as performance of the Company, leadership, relationships and communications.

Some of the performance indicators based on which the Independent Directors were evaluated include:

- Devotion of sufficient time and attention towards professional obligations for independent decision and acting in the best interest of the Company;
- Providing strategic guidance to the Company and determining important policies with a view to ensure long term viability and strength;
- Bringing external expertise and independent judgement that contributes to the objectivity of the Board's deliberation, particularly on issues of strategy, performance and conflict management.

All Directors participated in the evaluation survey and review was carried out through a peer-evaluation excluding the Director being evaluated. The result of evaluation was discussed in the Independent Directors' meeting, respective Committees meetings and in the Board Meeting held on April 24, 2019. The Board reviewed the performance of the board, board committees, individual directors, Chairman and Managing Director & CEO also the suggestions / inputs of Independent Directors, HR, Nomination and Remuneration Committee and respective Committee Chairman. Recommendations arising from this entire process were deliberated upon by the Board to augment its effectiveness and optimize individual strengths of the Directors.

Stakeholders' Relationship Committee

In compliance with requirements of the Listing Regulations and provisions of Section 178 of the Companies Act, 2013, the Company has a Stakeholders' Relationship Committee. As on March 31, 2019, the Committee comprises 3 members of whom 2 are Executive Directors and 1 Non-Executive Director. Rajan Bharti Mittal, Non-Executive Director, is the Chairman of the Committee. The Company Secretary acts as a secretary to the Committee.

Key Responsibilities of the Stakeholders' Relationship Committee, inter-alia, includes:

- Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;
- Consider and resolve the complaints/ grievances of security holders of the Company including complaints related to transfer of shares, non-receipt of balance sheet and non-receipt of declared dividend;
- Dematerialize or rematerialize the share certificates;
- Approve the transmission of shares or other securities arising as a result of death of the sole/ anyone joint shareholder;
- Sub-divide, consolidate and/or replace any share or other securities certificate(s) of the Company;
- Issue duplicate share/other security(ies) certificate(s) in lieu of the original share/security(ies) certificate(s) of the Company;
- Approve, register, and refuse to register transfer/ transmission of shares and other securities;
- Further delegate all or any of the power to any other employee(s), officer(s), representative(s), consultant(s), professional(s), or agent(s);
- Oversee & review, all matters connected with the transfer of securities of the Company;
- Oversee the performance of Registrar and Share Transfer Agent of the Company;
- Recommend methods to upgrade the standard of services to the investors;
- Deal with the unclaimed / undelivered shares of the company;
- Do all such acts, deeds and things as may be necessary in this regard.

The meetings of the Committee are generally held as and when deemed necessary, to review and ensure that all investor requests/ grievances are redressed within a stipulated time period.

Meeting, Attendance and Composition of the Stakeholders' Relationship Committee

During FY 2018-19, the Stakeholders' Relationship Committee met 7 times i.e. on April 23, 2018; May 21, 2018; July 25, 2018; September 20, 2018; October 24, 2018; January 23, 2019 and February 21, 2019.

The composition of the Committee as on March 31, 2019 and the attendance of members at the meetings held during FY 2018-19, are given below:

Name of Member(s)	Category	Number of meetings held during his tenure and attended	
		Held	Attended
Rajan Bharti Mittal – Chairman	Non- Executive Director	7	5
Akhil Gupta	Executive Director	7	7
D S Rawat	Executive Director	7	7

Compliance Officer

Samridhi Rodhe acted as the Company Secretary and Compliance Officer of the Company for the FY 2018-19 for complying with the requirements of the Listing Regulations and applicable laws.

Nature of Complaints and Redressal Status

During FY 2018-19, the complaints and queries received by the Company were general in nature, which include issues relating to non-receipt of dividend warrants, Annual Reports and others, which were resolved to the satisfaction of the shareholders.

Details of the investor complaint(s) received during FY 2018-19 are as follows:

Type of complaint	Number	Redressed	Pending as on March 31, 2019
Non-receipt of securities	0	0	Nil
Non-receipt of Annual Report	1	1	Nil
Non-receipt of dividend	0	0	Nil
Miscellaneous	0	0	Nil
Total	1	1	Nil

To redress investor grievances, the Company has a dedicated e-mail id, compliance.officer@bharti-infratel.com to which investors may send their grievances.

Committee of Directors

To cater to various day-to-day requirements and to facilitate seamless operations, the Company has formed a functional Committee known as the Committee of Directors. The Committee meets as and when deem necessary to cater to the day-to-day requirements of the Company.

As on March 31, 2019, the Committee comprises 3 members of whom 2 are Executive Directors and 1 Non- Executive Director. Akhil Gupta, Executive Director, is the Chairman of the Committee. The Company Secretary acts as a secretary to the Committee.

Key Responsibilities of the Committee of Directors (within the limit approved by the Board), inter-alia, includes:

Investment Related

- To make loans to any Body corporate / entity within the overall limits approved by the Board of Directors;
- To give guarantee(s) in connection with loan made to any Body corporate/entity within the overall limits approved by the Board of Directors;
- To negotiate, finalise, amend, modify, approve and accept the terms and conditions with respect to aforesaid loans and/or Guarantee(s) from time to time;
- To purchase, sell, acquire, subscribe, transfer, sell or otherwise deal in the shares / securities of any company, body corporate or other entities within the limits approved by the Board;

Treasury Related

- To borrow such sum of money and such other credit facilities as may be required by the Company from time to time provided that the money already borrowed, together with the money to be borrowed by the Company does not exceed the limits provided under the Companies Act, 2013, i.e. upto the paid up capital and free reserve of the Company;
- To create security / charge(s) on all or any of the assets of the Company for the purpose of securing credit facility(ies) of the Company;
- To deal in government securities, units of mutual funds, fixed income and money market instruments (including commercial papers, ICDs and short term deposits of corporate), fixed deposits & certificate of deposit program of banks and other instruments / securities / treasury products of banks & financial institutions etc. as per treasury policy of the Company;
- To deal in foreign exchange and financial derivatives linked to foreign exchange and interest rates including, but not limited to foreign exchange spot, forwards, options, currency swaps and interest rates swaps;
- To open, operate, close, change in authorization for any Bank account, Subsidiary General Ledger (SGL) Account, Dematerialization / Depository Account;
- To approve, finalise and authorize the execution of any deed, document, letter or writing in connection with the aforesaid activities including borrowing / credit facilities, creation of charge etc.

Allotment of Shares

- To allot of shares of the Company from time to time, in one or more tranches, as per the terms of the ESOP Schemes for the time being in force;
- To seek listing of shares issued as above on one or more Stock Exchanges in India and all such shares being pari-passu with the existing equity shares of the Company in all respects;
- to do all such acts, deeds and things, as may be necessary and incidental to allotment and listing of shares;

General Authorizations

- To open, shift, merge, close any branch office, circle office etc;

- To approve for participation into any tender, bid, auction etc. by the Company;
- To register the Company with any Central / State Government authorities, Semi-Government authorities, local authorities, tax authorities including sales tax, service tax, value added tax authorities, labour law authorities, administrative authorities, business associations and other bodies;
- To purchase, sell, take on lease / license, transfer or otherwise deal with any property;
- To apply for and surrender any electricity, power or water connection;
- To appoint any Merchant Banker, Chartered Accountant, Advocate, Company Secretary, Engineer, Technician, Consultants and / or Professionals for undertaking any assignment for and on behalf of the Company;
- To constitute, reconstitute, modify, and dissolve any trust or association with regard to the administrative matters or employee related matters and to appoint, reappoint, remove, replace the trustees or representatives;
- To authorize one or more employee(s), officer(s), representative(s), consultant(s), professional(s), or agent(s) jointly or severally to represent the Company before Central Government, State Governments, Judicial, Quasi-judicial and other statutory / administrative authorities or any other entity;
- negotiate, finalise, execute, modify, sign, accept and withdraw all deed, agreements, undertakings, certificates, applications, confirmations, affidavits, indemnity bonds, surety bonds, and all other documents and papers;
- affix common seal of the Company;
- enter into, sign, execute and deliver all contracts for and on behalf of the Company;
- To do all such acts, deeds and things as may be required for the smooth conduct of the operations of the Company and which does not require the specific approval of the Board of Directors of the Company or which has specifically been delegated by the Board of Directors to any other Committee of the Board or any officer, employee or agent of the Company;
- To perform such other functions as may be authorized / delegated by the Board of Directors or as might have been authorized / delegated to the erstwhile Borrowing and Investment Committee;
- To authorize/delegate any or all of its power to any person, officer, representative.

Meeting, Attendance and Composition of the Committee of Directors

During FY 2018-19, the Committee met 7 times i.e. on April 23, 2018; April 27, 2018; July 23, 2018; August 10, 2018; September 20, 2018, December 24, 2018 and February 13, 2019.

The composition of the Committee as on March 31, 2019 and the attendance of members at the meetings held during FY 2018 -19 are given below:

Name of Members(s)	Category	No. of Meetings held during his tenure and attended	
		Held	Attended
Akhil Gupta - Chairman	Executive Director	7	5
D S Rawat	Executive Director	7	7
Rajan Bharti Mittal	Non-Executive Director	7	6

Corporate Social Responsibility (CSR) Committee

In compliance with the requirements of the Companies Act, 2013, the Company has constituted the Corporate Social Responsibility (CSR) Committee.

As on March 31, 2019, the Committee comprises 4 members of whom 2 are Independent Directors, 1 Non- Executive Director and 1 Executive Director. N Kumar, Independent Director, is the Chairman of the Committee. The Company Secretary acts as a secretary to the Committee.

Key Responsibilities of the CSR Committee, inter-alia, includes:

- Formulate and recommend to the Board a Corporate Social Responsibility Policy which shall indicate activities to be undertaken by the Company;

- Recommend the amount of expenditure to be incurred on the activities undertaken;
- Monitor the Corporate Social Responsibility Policy of the Company from time to time;
- Review the performance of the Company in the area of CSR;
- Evaluate social impact of the Company's CSR Activities;
- Review the Company's disclosure of CSR matters including any annual social responsibility report;
- Review the following, with the management, before submission to the Board for approval:
    a) Business Responsibility Report (BRR) and Sustainability Report
    b) CSR Report
- Institute a transparent monitoring mechanism for implementation of the CSR Project or programs or activities;
- Approve the appointment or re-appointment of Directors responsible for Business Responsibility;
- Consider other functions, as defined by the Board, or as may be stipulated under any law, rule or regulation including the Listing Regulations, Corporate Social Responsibility Voluntary Guidelines and the Companies Act, 2013.

On the recommendation of the CSR Committee, the Board had approved the Corporate Social Responsibility Policy (CSR Policy) of the Company. The CSR Policy intends to strive for economic development that positively impacts the society at large with a minimal resource footprints. The Policy is posted on the website of the Company and can be accessed at www.bharti-infratel.com.

Meeting, Attendance and Composition of the Corporate Social Responsibility (CSR) Committee

During FY 2018-19, the CSR Committee met 4 times i.e. on April 23, 2018; July 25, 2018; October 24, 2018 and January 23, 2019.

The Committee approved 1 matter through resolution by circulation during FY 2018-19.

The Composition of the Committee as on March 31, 2019 and the attendance of the members at the meetings held during FY 2018-19, are given below:

Name of Members(s)	Category	No. of Meetings held during his/her tenure and attended	
		Held	Attended
N. Kumar – Chairman	Independent Director	4	3
D S Rawat	Executive Director	4	4
Leena Srivastava	Independent Director	4	4
Rajan Bharti Mittal	Non-Executive Director	4	4

CSR Committee Report for the year ended March 31, 2019

The CSR report for the year ended March 31, 2019 is annexed as Annexure E to the Board's Report.

General Body Meetings

The details of last three Annual General Meetings are as follows:

Year	Time, Day, Date & Location	Summary of Special Resolutions
2017-18	11.00 A.M. IST July 24, 2018 (Tuesday) The Auditorium, Apparel House (near the Zest), Sector 44, Gurugram-122003, Haryana	No Special Resolution was passed.
2016-2017	4:00 P.M. IST July 22, 2017 (Saturday) Air Force Auditorium, Subroto Park, New Delhi – 110010	No Special Resolution was passed.

Year	Time, Day, Date & Location	Summary of Special Resolutions
2015-2016	10:30 A.M. IST August 10, 2016 (Wednesday) Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi-110003	No Special Resolution was passed.

Tribunal Convened Meetings

Pursuant to the order dated December 17, 2018 read with order dated December 24, 2018 by the Hon'ble Chandigarh Bench of the National Company Law Tribunal at Chandigarh ('Tribunal'), the meeting of equity shareholders of the Company was held as per below details:

Time, Day, Date & Location	Summary of Special Resolutions
2.30 P.M. IST February 2, 2019 (Saturday) Victoria Hall, The Bristol Hotel, DLF Phase-I, Gurugram-122002, Haryana	Approval of the scheme of amalgamation and arrangement between Indus Towers Limited and Bharti Infratel Limited and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and other matters incidental thereto.

Mr. Ankush K. Sood was appointed as the Scrutinizer by the Tribunal for conducting the poll at the Tribunal Convened Meeting of the equity shareholders.

Details of voting pattern in respect of the resolutions passed at the Tribunal Convened meeting:

Details of Agenda	No. of valid votes	Votes cast in favour of the resolution (no. & %)	Votes cast against the resolution (no. & %)
Approval of the scheme of amalgamation and arrangement between Indus Towers Limited and Bharti Infratel Limited and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and other matters incidental thereto.	1,682,883,613	1,660,480,466 (98.67%)	22,403,147 (1.33%)

Postal Ballot

The Company did not pass any resolution through postal ballot during FY 2018-19.

Disclosures and Policies

Disclosure on Materially Significant Related Party Transactions that may have Potential Conflict with the Interest of Company at large

All transactions entered into with related parties as defined under the Companies Act, 2013 and the Listing Regulations during the financial year were in the ordinary course of business and on an arm's length pricing basis or were approved by the Board/ Audit & Risk Management Committee under specific provisions of Companies Act, 2013.

None of the transactions with any of the related parties were in conflict with the interest of the Company rather, they synchronize and synergise with the Company's operations. Attention of members is drawn to the disclosure of transactions with the related parties set out in Note No. 42 of the Standalone Financial Statements, forming part of the Integrated Report.

The required statements / disclosures, with respect to the Related Party Transactions, are placed before the Audit & Risk Management Committee as well as to the Board of Directors, on quarterly basis in terms of the Listing Regulations and other applicable laws for approval / information. Prior omnibus approval is obtained for Related Party Transactions which are repetitive in nature.

In terms of the Listing Regulations, Company shall obtain approval of shareholders for material related party transactions i.e. the transaction / transactions or series of transactions with a related party in any financial year exceeds 10% of the consolidated turnover of the Company. Accordingly, the Company has, in addition to the resolution passed by the shareholders in 9th Annual General Meeting held on August 11, 2015, obtained the approval of shareholders in the 12th Annual General Meeting held on July 24, 2018 for all the material Related Party Transactions entered / to be entered between the Company and its Holding Company, Bharti Airtel Limited.

The Board of Directors has formulated a Policy on dealing with Related Party Transactions pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations. The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and related parties. The Policy is posted on the website of the Company at http://www.bharti-infratel.com/cps-portal/web/corporate_gov.html#4.

Prevention of Sexual Harassment

Bharti Infratel is committed towards creating a respectful workplace that is free from any form of harassment and discrimination is exemplified by its 'zero-tolerance' approach towards any act of sexual harassment. The Company has a comprehensive policy which is in compliance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been constituted as per procedure prescribed in the law. All such investigations are conducted as per the tenets of the law and the Company policy. The list of ICC members has been prominently displayed across all offices in publicly accessible areas. Further, awareness and training sessions about the Prevention of Sexual harassment at workplace are conducted for all employees, including our associates. Following are the details of sexual harassment cases for FY 2018-19:

1) Number of complaints filed during the financial year – 2;
2) Number of complaints disposed off during the financial year – 2;
3) Number of complaints pending as on the end of the financial year – Nil.

Details of Non-compliance with regard to Capital Markets during the last three years

There have been no instance of non-compliances by the Company and no penalties and / or strictures have been imposed by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

Insider Trading

In compliance with the SEBI Regulations on Prevention of Insider Trading, the Company has established systems and procedures to prohibit insider trading activity and has formulated a Code on Insider Trading for designated persons, who may have access to the Company's price sensitive information. The Code lays down procedures to be followed and disclosures to be made, while trading in the Company's shares.

The Company follows highest standards of transparency and fairness in dealing with all stakeholders and ensures that no insider shall use his or her position with or without knowledge of the Company to gain personal benefit or to provide benefit to any third party.

Whistle Blower Policy

Bharti Infratel has a robust and independent vigil mechanism that is administered through the office of the Ombudsperson. It outlines the method and process for stakeholders to voice genuine concerns about unethical conduct that may be in breach with the employees' Code of Conduct.

The policy aims to ensure that genuine complainants can raise their concerns in full confidence, without any fear of retaliation or victimisation. The Ombudsperson administers a formal process to review and investigate any concerns raised. It also undertakes all appropriate actions required to resolve the reported matter. Instances of serious misconduct dealt with by the Ombudsperson are reported to the Audit & Risk Management Committee. All employees of the Company as well as external stakeholders that has a grievance has full access to the Ombudsperson through phones, emails or even meetings in person. During the year under review, no employee was denied access to the Audit & Risk Management Committee.

Code of Conduct

In compliance with the Listing Regulations and the Companies Act, 2013, the Company has framed and adopted a Code of Conduct for all Directors and Senior Management personnel. The code is available on the Company's website www.bharti-infratel.com. The Code is applicable to all Board members and Senior Management executives who directly report to the Chairman, the Managing Director & CEO. The Code is circulated to all Board members and Senior Management Personnel and its compliance is affirmed by them annually.

Besides, the Company also procures a quarterly confirmation of material financial and commercial transactions entered into by Senior Management personnel with the Company that may have a potential conflict of interest.

A declaration signed by the Managing Director & CEO, regarding affirmation of the compliance with the Code of Conduct by Board Members and Senior Management for the financial year ended March 31, 2019, is annexed as Annexure A to this report.

Along with the Code of Conduct for the Board members and Senior Management, the Company has also laid down a Code of Conduct for its employees. As a process, an annual confirmation is also sought from all employees. All employees are expected to confirm compliance to the Code annually.

Regular training programmes are conducted across locations to explain and reiterate the importance of adherence to the code.

CEO and CFO Certification

The certificate required under Regulation 17(8) of the Listing Regulations, duly signed by the Managing Director & CEO and CFO was placed before the Board. The same is annexed as Annexure B to this report.

Auditors' Certificate on Corporate Governance

As required under Regulation 34 of the Listing Regulations, the auditors' certificate on Corporate Governance is annexed as Annexure F to the Board's Report.

Certificate from Secretarial Auditor pursuant to Schedule V of the Listing Regulations

A certificate has been received from M/s Chandrasekaran Associates, Practising Company Secretaries, pursuant to Schedule V of the Listing Regulations, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority. The same is annexed as Annexure C to this report.

Subsidiary Company

The Company monitors performance of subsidiary Company, inter alia, by the following means:

- Financial Statement, in particular the investments made by unlisted subsidiary company, is reviewed quarterly by Company's Audit & Risk Management Committee;
- Minutes of Board Meeting of unlisted subsidiary company is placed before the Company's Board regularly;
- A statement containing significant transactions and arrangements entered into by unlisted subsidiary Company is placed before the Company's Board.

The Company does not have any material non-listed Indian subsidiary in terms of the provisions of Listing Regulations. The Board of Directors have formulated a Policy for determining material subsidiaries pursuant to the provisions of the Listing Regulations. The same is posted on the Company's website at www.bharti-infratel.com.

Compliance with the Mandatory Requirements as Specified in Regulations 17 to 27 and Clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 of the Listing Regulations

The Board of Directors periodically review the compliance of all applicable laws. The Company has complied with all the mandatory requirements of the Code of Corporate Governance as stipulated under Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulations 46 of the Listing Regulations. It has obtained a certificate affirming the compliances from M/s. Deloitte Haskins & Sells, Chartered Accountants, Gurugram, the Company's Statutory Auditors and the same is attached to the Board's Report.

Details of Compliances with the Non-mandatory Requirements of Regulation 27 of the Listing Regulations

In addition to the mandatory requirements, the Company has also adopted the following non-mandatory requirements in terms of the Listing Regulations:

Shareholders' Rights and Auditors' Qualification

The Company has a policy of announcement of the audited quarterly results. The results, as approved by the Board of Directors (or Committee thereof) are first submitted to the Stock Exchanges within 30 minutes of the conclusion of the Board Meeting under Regulation 30 of Listing Regulations. Once taken on record by the Stock Exchanges, the same are disseminated in the media through press release. The quarterly financial results are published in newspapers and uploaded on Company's website www.bharti-infratel.com.

On the next day of the announcement of the quarterly results, an earnings call is organised where the management responds to the queries of the investors / analysts. These calls are webcast live and transcripts posted on the website.

Audit Qualifications

Company's financial statements are unqualified.

Separate posts of Chairman and CEO

The positions of the Chairman of the Board and the Managing Director & Chief Executive Officer of the Company are held by separate individuals.

Reporting of Internal Auditor/ Internal Assurance Partner

The Internal Auditor/ Internal Assurance Partner directly reports to the Audit & Risk Management Committee.

Green Initiatives by MCA

In compliance with the provisions of Section 20 of the Companies Act, 2013 and as a continuing endeavor towards the 'Go Green' initiative, the Company proposes to send all correspondences / communications through email to those shareholders, who have registered their email id with their depository participants/Company's registrar and share transfer agent. In case the shareholders desire to receive printed copy of such communications, they may send requisition to the Company. The Company will forthwith send a printed copy of the communication to the respective shareholder.

Status of Dividend Declared

Status of the unclaimed / unpaid dividend amount is as under:

Financial Year	Dividend	Rate of Dividend per equity share of ₹10 each	Total Dividend Amount (₹) (In Mn)	Amount unpaid to the shareholders (₹) (In Mn)
2012-2013	Final	3.00	5,666	0.24
2013-2014	Final	4.40	8,316	0.14
2014-2015	Interim	4.50	8,505	0.14
2014-2015	Final	6.50	12,326	0.11
2015-2016	Final	3.00	5,548	0.12
2016-2017	Interim	12.00	22,195	0.51
2016-2017	Final	4.00	7,398	0.13
2017-2018	Final	14.00	25,895	0.87
2018-2019	Interim	7.50	13,872	0.33

Note: 2nd interim divident of ₹ 7.50/- per equity share of ₹ 10 each for FY 2018-19 amounting to ₹ 13, 872 Mn is declared by the Board on April 24, 2019.

The Company constantly endeavours to reduce the unpaid dividend amount. The shareholders, who have not claimed their dividend for the above financial years are requested to contact the Company or its Share Transfer Agent.

Status of Unclaimed / Unpaid IPO Refund Amount

As on March 31, 2019, your Company has ₹511,000/- lying as unclaimed amount in the IPO refund account with HDFC Bank Limited, details of which are available on www.bharti-infratel.com under Investor Relations section. The applicants of the IPO, who have not claimed their refund amount are requested to contact the Company or its Share Transfer Agent.

Equity Shares in the Suspense Account

In terms of Regulation 34 of the Listing Regulations, the details in respect of shares lying in the demat account 'Bharti Infratel Limited- Unclaimed Suspense Account' as on March 31, 2019 are as under:

Particulars	Number of shareholders	Number of equity shares
Number of shareholders and aggregate number of shares as transferred to the Unclaimed Suspense Account outstanding as on April 1, 2018	1	50
Number of shareholders who approached the Company for transfer of shares and shares transferred from suspense account during the year	Nil	Nil
Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2019	1	50

The voting rights on the shares in the suspense account as on March 31, 2019 shall remain frozen till the rightful owners of such shares claim the shares.

Means of Communication

Quarterly Results: The Company's Quarterly Audited Results are published in prominent daily newspapers, viz. Mint (English daily) and Hindustan (vernacular newspaper) and are also posted on the Company's website, www.bharti-infratel.com.

News releases, presentations: Official news releases and official media releases are sent to the Stock Exchanges and posted on Company's website, www.bharti-infratel.com.

Earning Calls & Presentations to Institutional Investors/ Analysts The Company organises an earnings call with analysts and investors on the next day of announcement of results, which is also broadcast live on the Company's website. The transcript is posted on the website soon after. Any specific presentation made to the analysts/ others is also uploaded on the website www.bharti-infratel.com.

NSE Electronic Application Processing System (NEAPS)/ BSE Corporate Compliance & Listing Centre: The NEAPS/BSE's Listing Centre is web-based application designed for corporates. All periodical compliance fillings like shareholding pattern, corporate governance report, media releases and other material information is also filed electronically on the designated portals.

Website: Up-to-date financial results, annual reports, shareholding patterns, official news releases, financial analysis reports, latest presentation made to the institutional investors and other general information about the Company are available on the website, www.bharti-infratel.com.

Since the time of listing of shares, Bharti Infratel adopted a practice of releasing a quarterly report, which contains financial and operating highlights, key industry and Company developments, results of operations, stock market highlights, ratio analysis, summarised financial statements and so on. The quarterly reports are posted on the Company's website and are also submitted to the Stock Exchanges, where the Company's shares are listed.

General Shareholders Information

13th Annual General Meeting

Date: July 23, 2019
Day: Tuesday
Time: 12.30 P.M.
Venue: The Auditorium, Apparel House (near the Zest), Sector 44, Gurugram - 122003, Haryana, India

Dividend and Dividend Pay-out Date

During the year, the Board had declared an interim dividend of ₹7.5/- per equity share amounting to ₹13,872 Mn (excluding tax on dividend) on October 24, 2018 for which payment was made to the shareholder on November 8, 2018. The Board has also declared a 2nd interim dividend of ₹7.5/- per equity share amounting to ₹13,872 Mn (excluding tax on dividend) on April 24, 2019 for which payment will be made to the shareholders on or before May 23, 2019.

Equity Shares Listing, Stock Code and Listing Fee Payment

Name and address of the Stock Exchange, Scrip code and Status of fee paid for FY 2019-20:

Name and address of the Stock Exchange	Scrip code	Status of fee paid
National Stock Exchange of India Limited Exchange Plaza, C-1 Block G Bandra Kurla Complex, Bandra(C), Mumbai – 400001	INFRATEL	Paid
The BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400001	534816	Paid

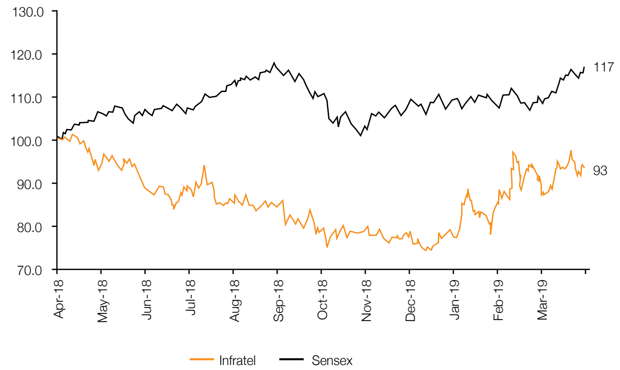
Stock Market Data

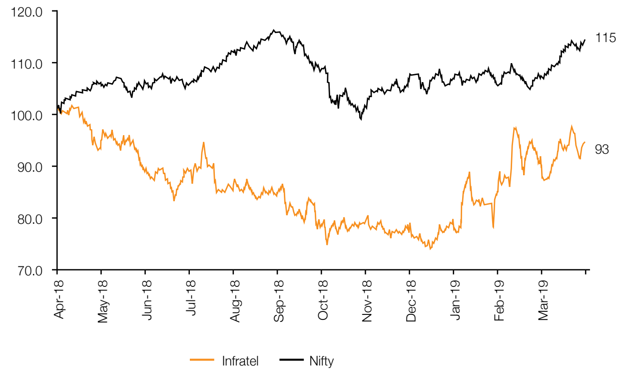
The monthly high & low during each month, in last financial year, is as below:

Month	NSE		BSE	
	High (in ₹)	Low (in ₹)	High (in ₹)	Low (in ₹)
Apr-18	348.45	310.50	348.60	310.80
May-18	328.30	293.35	328.20	294.20
Jun-18	307.95	274.55	307.25	274.85
Jul-18	319.20	278.05	320.00	278.60
Aug-18	297.90	278.85	297.95	279.45
Sep-18	292.90	256.85	292.50	257.00
Oct-18	277.50	242.25	276.90	241.80
Nov-18	274.10	244.10	274.40	246.20
Dec-18	271.15	246.00	271.95	246.00
Jan-19	300.40	257.80	301.85	258.20
Feb-19	335.00	286.45	333.80	287.10
Mar-19	333.45	291.60	333.35	291.60

Source: www.nseindia.com Source: www.bseindia.com

Share Price performance in comparison to broad based indices such as BSE Sensex, and NSE NIFTY is as under:





Note: Base is considered to be 100 as at March 28, 2018

Suspension of Company's Securities

Company's securities are never suspended from trading since its listing.

Registrar and Share Transfer Agent (RTA)

Karvy Fintech Private Limited (formerly known as Karvy Computershare Private Limited) is the Company's Registrar and Transfer Agent for handling the work related to share registry, both in physical and demat form.

Pursuant to the changes made in Regulation 40 of Listing Regulations, the transfer of securities shall not be processed unless the securities are held in dematerialized form with effect from April 1, 2019.

Share Transfer System

Approximately 100% of the Company's equity shares are in electronic format. Transfer of shares in physical form is processed within 15 days from the date of receipt, provided the documents are complete in all respect. All transfers are first processed by the Transfer Agent and are submitted thereafter to the Company for approval. The Transfer Agent has been authorized to transfer minor shareholding up to 50 shares without the Company's involvement. Such transfer details are placed before the Stakeholders' Relationship Committee and Board of Directors on quarterly basis.

Pursuant to the Listing Regulations, we obtain certificates from a practicing Company Secretary on a half-yearly basis to the effect that all the transfers are completed within the statutory stipulated period. A copy of the certificates so received is submitted to both Stock Exchanges, where the shares of the Company are listed.

Distribution of shareholding

By number of shares held as on March 31, 2019

S. No.	Category (by no. of shares)	No. of shareholders	% to holders	Number of shares	% of shares
1	1-5000	32,353	93.00	2,481,331	0.13
2	5001-10000	1,091	3.14	852,638	0.05
3	10001-20000	354	1.02	517,524	0.03
4	20001-30000	110	0.32	280,394	0.02
5	30001-40000	69	0.20	239,892	0.01
6	40001-50000	36	0.10	163,554	0.01
7	50001-100000	96	0.28	708,476	0.04
8	100001 and above	680	1.95	1,844,364,437	99.72
	Total	**34789**	**100.00**	**1,849,608,246**	**100.00**

Please note that total number of folios (without consolidation of shareholding) as on March 31, 2019 are 36,935. However, pursuant to SEBI circular No. SEBI/HO/CFD/CMD/CIR/P/2017/128 dated December 19, 2017, the shareholding is consolidated on the basis of PAN, where available, and folio number to avoid multiple disclosures of shareholding of the same person. The total number of shareholders after consolidation of folios based on PAN, where available, are 34,789.

By Category of holders as on March 31, 2019

Sl. No.	Category	Number of Shares	%
I.	**Promoter & Promoter Group**		
	(i) Indian	989,780,979	53.51
	(ii) Foreign	-	-
	Total - Promoter & Promoter Group	**989,780,979**	**53.51**
II.	**Public Shareholding**		
	(A) Institutions		
	(i) Mutual Funds	15,655,408	0.85
	(ii) Alternative Investment Fund	2,068	0.00
	(iii) Foreign Portfolio Investors	811,952,686	43.90
	(iv) Financial Institutions/Banks	2,177,160	0.12
	(v) Insurance Companies	11,479,365	0.62
	Total – Institutions	**841,266,687**	**45.48**
	(B) Non-Institutions		
	(i) Individual shareholders holding nominal share capital up to ₹2 lakhs	4,549,392	0.25
	(ii) Individual shareholders holding nominal share capital in excess of ₹2 Lakhs	2,377,335	0.13
	(iii) NBFCs Registered with RBI	-	-
	(iv) Trust	949,678	0.05
	(v) Non Resident Indians	158,776	0.01
	(vi) Clearing Members	865,596	0.05
	(vii) Non Resident Indian Non Repatriable (NRN)	86,529	0.00
	(viii) Bodies Corporate	8,936,614	0.48
	(ix) Foreign Corporate Bodies	-	-
	Total - Non-Institutions	**17,923,920**	**0.97**
	Total - Public Shareholding	**859,190,607**	**46.45**
III.	Non Promoter-Non Public - Shares held by Employes Trusts	636,660	0.03
	Total	**1,849,608,246**	**100**

Dematerialization of Shares and Liquidity

The shares of the Company are compulsorily traded in dematerialised form and are available for trading with both the depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The shareholders can hold the Company's shares with any of the depository participants, registered with these depositories. ISIN for the Company's shares is INE121J01017. As on March 31, 2019, 1849606906 representing approx. 100% of the total issued and paid-up capital are in demat form with the depositories.

The Company's equity shares are frequently traded at the BSE Limited and the National Stock Exchange of India Limited.

Outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion date and likely impact on equity

The Company does not have any outstanding GDRs / ADRs / Warrants or any Convertible instruments as on date.

Commodity price risk or foreign exchange risk and hedging activities

The nature of the business of the Company is such that it does not involve any material risk on account of foreign exchange and commodity prices. Therefore, the Company has not undertaken hedging activities during the year.

Plant Locations

Being a service provider company, Bharti Infratel Limited has no plant locations. The Company's Circle Office addresses are provided at the end of the Annual Report.

Communication Addresses

	Contact	Email	Address
For Corporate Governance and Other Secretarial related matters	**Samridhi Rodhe** Company Secretary & Compliance Officer	compliance.officer@bharti-infratel.in	**Bharti Infratel Limited** Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase – II, New Delhi-110070 Telephone no. +91 11 46666100 Fax no. +91 11 41666137 Website: www.bharti-infratel.com
For queries relating to Financial Statements	**Surabhi Chandna** Chief Investor Relations Officer	ir@bharti-infratel.in	
For Corporate Communication related matters	**Prem Subedi** Head – Group Corporate Communications	corporate.communications@bharti.in	
Registrar & Transfer Agent	**Karvy Fintech Pvt. Ltd. (formerly known as Karvy Computershare Private Limited)**	einward.ris@karvy.com	Karvy Selenium Tower B | Plot number 31 & 32 | Financial District | Nanakramguda | Serilingampally Mandal | Hyderabad - 500032 | India P : +91 040 6716 1518 Fax No.: 040 23420814 Website: www.karvy.com Toll Free No. 1-800-3454001

Annexure - A

Declaration

I hereby confirm that Company has received from all members of the Board and Senior Management, for the financial year ended March 31, 2019, a confirmation that they are in compliance with the Company's Code of Conduct.

For Bharti Infratel Limited

D S Rawat
Managing Director & CEO

Date: April 24, 2019
Place: New Delhi

Annexure - B

Certification

We, D S Rawat, Managing Director & CEO and S Balasubramanian, Chief Financial Officer of Bharti Infratel Limited, to the best of our knowledge and belief hereby certify that:

(a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2019 and that to the best of our knowledge and belief:

  (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

  (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit & Risk Management Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the Auditors and the Audit & Risk Management Committee:

  (i) Significant changes in internal control over financial reporting during the year;

  (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

  (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: New Delhi
Date: April 24, 2019

D S Rawat
Managing Director & CEO

S Balasubramanian
Chief Financial Officer

Annexure - C

CERTIFICATE UNDER SCHEDULE V OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To,
The Members
Bharti Infratel Limited
901, Park Centra,
Sector-30, NH-8,
Gurugram HR 122001

Based on the disclosures/declarations received from Directors appointed on the Board of Bharti Infratel Limited ("Company") as on March 31, 2019, we hereby certify that as on March 31, 2019, none of the Directors on the Board of Company have been debarred or disqualified from being appointed or continuing as director of the Company by Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

For **Chandrasekaran Associates**
Company Secretaries

Dr. S Chandrasekaran
Senior Partner
Membership No. 1644
Certificate of Practice No. 715

Date: April 4, 2019
Place: New Delhi

Consolidated Financial Statments

Independent Auditor's Report

To The Members of
Bharti Infratel Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Bharti Infratel Limited ("the Parent") and its subsidiary (the Parent and its subsidiary together referred to as "the Group"), which includes Group's share of profit in its joint venture, which comprise the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of other auditor on separate financial statements of joint venture referred to in the Other Matter section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of their report referred to in the Other Matter section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	**Revenue recognition – accuracy of revenue recorded** There is an inherent risk around the accuracy of revenue recorded at rates other than the approved contracts / agreements. This is because the Group's billing systems are complex and process large volume of data, including combination of different components of revenue. (Refer to Note 3(j) and 25 to the consolidated financial statements)	**Principal audit procedures performed:** Our audit approach consisted evaluation of design and implementation of controls, and testing the operating effectiveness of the internal controls over: • Capture and recording of revenue transactions; • Authorisation of rates changes and input of the rate changes into the billing systems; • Preparation and validation of the billing schedule; and • Calculations of amounts billed to operators, in line with underlying contracts / agreements;

Sr. No.	Key Audit Matter	Auditor's Response
		We tested a sample of invoices issued to operators to ensure that the revenue recorded are agreeing to the relevant underlying supporting documentation. We also performed analytical procedures to test the recorded rental revenue; We involved our internal IT specialists to test IT general controls and application specific controls surrounding billing system, including testing of system generated reports used in our audit; We examined and assessed the accounting policies applied in the recognition of revenue for compliance with the applicable financial reporting framework; and We challenged management estimates around appropriateness of revenue recognition and reversals for biases that could result in material misstatement.
2	**Evaluation of uncertain tax positions** The Group has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes. (Refer to Note 39(b) to the consolidated financial statements)	**Principal audit procedures performed:** Our audit procedures included evaluation of design of controls and testing of operating effectiveness of the Group's controls over assessment and evaluation of possible outcomes around tax disputes. We involved our internal tax experts, to gain understanding of the current status of the disputed tax cases; and to challenge management's underlying assumptions in estimating the possible outcome of these tax disputes. Our internal tax experts considered legal precedence and other ruling in evaluating management's position on these uncertain tax positions. We also considered the effect of new information in respect of uncertain tax positions as at April 1, 2018 to evaluate whether any change was required to management's position on these uncertainties. Our audit procedures also included; • Reading and evaluating external legal opinions obtained by the management; • Direct communication with the relevant third party legal representatives and discussion with them regarding certain material disputed tax cases; • Inquiry with local management, reading relevant correspondence and assessing management conclusion in similar tax cases.

Sr. No.	Key Audit Matter	Auditor's Response
3	**Valuation and existence of property, plant and equipment including assessment of useful lives and residual values** Property, plant and equipment represents a significant proportion of the Group's asset base, being 30 % of the Group's total assets. The estimates and assumptions made to determine the carrying amounts, including whether and when to capitalise or expense certain costs, and the determination of depreciation charges are material to the Group's financial position and performance. The charges in respect of periodic depreciation are derived after estimating an asset's expected useful life and the expected residual value. Changes to assets' carrying amounts, expected useful lives or residual value could result in a material impact on the financial statements. (Refer to Note 3(a), 4(c) and 6 to the consolidated financial statements)	**Principal audit procedures performed:** Our audit approach consisted evaluation of design and implementation of controls, and testing the operating effectiveness of the internal controls over: • Valuation of property, plant and equipment and review of useful lives; • Periodic physical verification of property, plant and equipment; We involved our internal IT specialists to test IT general controls and application specific controls including testing of system generated reports used in our audit; We tested a sample items of property, plant and equipment acquired and capitalised for new rollout, upgrade or expansion of sites during the year and inspected relevant underlying documentation to assess whether these items met the criteria for capitalisation with reference to the requirements of the prevailing accounting standards; We physically inspected a sample of sites and warehouses at the year-end to ensure existence of property, plant and equipment and tested the reconciliation between physical verification reports and fixed assets registers on a sample basis to determine any adjustments that may be required thereon; We performed a reconciliations between number of sites on which revenue has been recognised and network cost have been incurred with number of sites as per fixed asset records; and We performed substantive testing for the determination of asset useful lives and residual values. In performing these procedures we considered management's judgments, including the appropriateness of existing asset lives and residual values applied in the calculation of depreciation to determine whether these judgments reflected technological developments within the industry and changes in the anticipated duration of use by the management.

Information Other than the Financial Statements and Auditor's Report Thereon

The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report, Business Responsibility Report and Report on Corporate Governance, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the joint venture audited by the other auditor, to the extent it relates to that entity and, in doing so, place reliance on the work of the other auditor and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the joint venture is traced from their financial statements audited by the other auditor.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its joint venture in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the Companies included in the Group and of its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its joint venture and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the Companies included in the Group and of its joint venture are responsible for assessing the ability of the Group and of its joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate or cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the Group and of its joint venture are also responsible for overseeing the financial reporting process of the Group and of its joint venture.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint venture to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its joint venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings including any significant deficiencies in internal control that we identify during our audit

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The Consolidated Financial Statements include the Group's share of net profit of ₹10,172 millions and total comprehensive income of ₹10,170 millions for the year ended March 31, 2019, as considered in the Consolidated Financial Statements, in respect of one joint venture, whose financial statements have not been audited by us. These financial statements have been audited by other auditor whose report have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of the joint venture and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid joint venture is based solely on the report of the other auditor.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditor and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditor on separate financial statements of the joint venture, referred to in the Other Matter section above we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Parent as on March 31, 2019 taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of its subsidiary company and joint venture company incorporated in India, none of the directors of the Group companies and joint venture company incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Parent, subsidiary company and joint venture company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies, for the reasons stated therein.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its joint venture.

ii. The Group and joint venture did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent and its subsidiary company and joint venture company incorporated in India.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Vijay Agarwal
Partner
(Membership No. 094468)

Place: New Delhi
Date: April 24, 2019

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of Bharti Infratel Limited (hereinafter referred to as "the "Parent") and its subsidiary company and joint venture, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent, its subsidiary company and its joint venture, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent, its subsidiary company and its joint venture, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the auditor of the joint venture, which are companies incorporated in India, in terms of their reports referred to in the Other Matter section below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent, its subsidiary company and its joint venture, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor referred to in the Other Matter section below, the Parent, its subsidiary company and its joint venture, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one joint venture, which is a company incorporated in India, is based solely on the corresponding report of the auditor of such company incorporated in India.

Our opinion is not modified in respect of the above matter.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Vijay Agarwal
Partner
(Membership No.094468)

Place: New Delhi
Date: April 24, 2019

Consolidated Balance Sheet

as at March 31, 2019

(₹ millions)

Particulars	Note	As at March 31, 2019	As at March 31, 2018
Assets			
Non-current assets			
Property, plant and equipment	6	53,251	55,845
Capital work-in-progress		1,180	1,103
Intangible asset	6	71	103
Investment in joint venture	7	51,085	55,419
Financial assets			
Investment	8	18,424	2,777
Other financial assets	9	1,361	1,246
Income tax assets (net)		1,137	871
Deferred tax assets (net)	10	159	542
Other non - current assets	11	1,837	2,770
		128,505	**120,676**
Current assets			
Financial assets			
Investment	8	29,549	65,073
Trade receivables	12	5,509	2,746
Cash and cash equivalents	13	3	308
Other bank balance	14	14	4
Other financial assets	9	5,210	5,436
Other current assets	15	2,515	2,553
		42,800	**76,120**
Total assets		**171,305**	**196,796**
Equity and liabilities			
Equity			
Equity share capital	16	18,496	18,496
Other equity	17	126,820	151,148
Equity attributable to equity holders of the parent		**145,316**	**169,644**
Non-current liabilities			
Financial liabilities			
Other financial liabilities	18	2,430	2,523
Provisions	19	2,723	2,484
Deferred tax liabilities	10	1,776	2,356
Other non - current liabilities	20	1,308	1,630
		8,237	**8,993**
Current liabilities			
Financial liabilities			
Borrowings	21	57	-
Trade payables	22		
-Total outstanding dues of micro enterprises and small enterprises		26	22
-Total outstanding dues of creditors other than micro enterprises and small enterprises		10,807	10,974
Other financial liabilities	23	2,177	2,487
Other current liabilities	24	4,397	4,096
Provisions	19	140	143
Current tax liabilities (Net)		148	437
		17,752	**18,159**
Total liabilities		**25,989**	**27,152**
Total equity and liabilities		**171,305**	**196,796**

The accompanying notes form an integral part of these consolidated financial statements.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm registration number: 117366W/ W-100018

Vijay Agarwal
Partner
Membership No: 094468

Place: New Delhi
Date: April 24, 2019

For and on behalf of the **Board of Directors of Bharti Infratel Limited**

Akhil Gupta
Chairman

D S Rawat
Managing Director & CEO

S. Balasubramanian
Chief Financial Officer

Samridhi Rodhe
Company Secretary

Consolidated Statement of Profit and Loss

for the year ended March 31, 2019

(₹ millions)

Particulars	Note	Year ended March 31, 2019	Year ended March 31, 2018
Income			
Revenue from operations	25	68,262	66,212
Other income	26	1,015	1,052
Total income		**69,277**	**67,264**
Expenses			
Power and fuel	27	25,258	22,817
Rent	28	3,446	3,518
Employee benefit expenses	29	2,915	2,916
Repairs and maintenance	30	3,635	4,062
Other expenses	31	1,342	1,034
Total expenses		**36,596**	**34,347**
Profit before depreciation and amortisation, finance costs, finance income, charity and donation, share of profit of joint venture, exceptional items and tax		**32,681**	**32,917**
Depreciation and amortisation expense	32	11,064	12,188
Less: adjusted with general reserve in accordance with the scheme of arrangement with Bharti Airtel Limited (Refer note 44(a))	32	(406)	(387)
		10,658	**11,801**
Finance costs	33	529	465
Finance income	33	(4,406)	(2,170)
Charity and donation		545	294
Profit before share of profit of joint venture, exceptional items and tax		**25,355**	**22,527**
Share of profit of joint venture		10,172	13,025
Profit before exceptional items and tax		**35,527**	**35,552**
Exceptional items	34	-	260
Profit before tax		**35,527**	**35,292**
Income tax expense :	10	**10,589**	**10,355**
Current tax		10,786	10,979
Deferred tax		(197)	(624)
Profit for the year		**24,938**	**24,937**
Other comprehensive income (OCI)			
Items that will not be re-classified to profit and loss			
Remeasurement of the gain/(loss) of defined benefit plans (net of tax)		5	1
Share of profit/(loss) in OCI of joint venture		(2)	1
Items that will be re-classified to profit and loss			
Fair Value changes on financial assets through OCI (net of tax)		(27)	22
Other comprehensive income/(loss) for the year (net of tax)		**(24)**	**24**
Total comprehensive income for the year (net of tax)		**24,914**	**24,961**
Earnings per share (nominal value of share ₹ 10 each)	35		
Basic		13.488	13.488
Diluted		13.487	13.487

The accompanying notes form an integral part of these consolidated financial statements.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm registration number: 117366W/ W-100018

For and on behalf of the **Board of Directors of Bharti Infratel Limited**

Vijay Agarwal
Partner
Membership No: 094468

Akhil Gupta
Chairman

D S Rawat
Managing Director & CEO

Place: New Delhi
Date: April 24, 2019

S. Balasubramanian
Chief Financial Officer

Samridhi Rodhe
Company Secretary

Statement of Changes in Equity

as at March 31, 2019

A. Equity Share Capital

Particulars	No of shares (in thousands)	Amount in ₹ millions
As at April 1, 2017	**1,849,608**	**18,496**
As at March 31, 2018	**1,849,608**	**18,496**
As at April 1, 2018	**1,849,608**	**18,496**
As at March 31, 2019	**1,849,608**	**18,496**

B. Other Equity

(₹ millions)

Particulars	Reserves and Surplus						Other comprehensive income	Total equity
	Securities Premium	Treasury shares	Share based payment reserves	Capital redemption reserve	General reserve	Retained earnings		
As at April 1, 2017	**48,838**	**(324)**	**51**	**471**	**69,257**	**18,138**	**66**	**136,497**
Profit for the year	-	-	-	-	-	24,937	-	24,937
Other comprehensive income	-	-	-	-	-	-	24	24
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**24,937**	**24**	**24,961**
Gross compensation for options forfeited/excercised during the year	-	-	(24)	-	-	-	-	(24)
Final dividend on equity shares	-	-	-	-	-	(7,398)	-	(7,398)
Tax on final dividend on equity shares	-	-	-	-	(1,506)	-	-	(1,506)
Shares issued to employees on exercise of ESOP and Buyback of shares	-	35	-	-	-	-	-	35
Amount transferred to Stock option outstanding during the vesting period	-	-	49	-	-	-	-	49
Premium on exercise of ESOP's*	-	-	-	-	(7)	-	-	(7)
Amount transferred to statement of profit and loss during the year in accordance with the scheme of arrangement with Bharti Airtel Limited	-	-	-	-	(393)	-	-	(393)
Amount adjusted during the year in accordance with the Indus scheme	-	-	-	-	-	(1,066)	-	(1,066)
As at March 31, 2018	**48,838**	**(289)**	**76**	**471**	**67,351**	**34,611**	**90**	**151,148**

Statement of Changes in Equity

as at March 31, 2019

B. Other Equity (Contd..)

(₹ millions)

Particulars	Reserves and Surplus						Other comprehensive income	Total equity
	Securities Premium	Treasury shares	Share based payment reserves	Capital redemption reserve	General reserve	Retained earnings		
As at April 1, 2018	**48,838**	**(289)**	**76**	**471**	**67,351**	**34,611**	**90**	**151,148**
Profit for the year	-	-	-	-	-	24,938	-	24,938
Other comprehensive income	-	-	-	-	-	-	(24)	(24)
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**24,938**	**(24)**	**24,914**
Gross compensation for options forfeited/excercised during the year	-	-	(34)	-	-	-	-	(34)
Shares issued to employees on exercise of ESOP and Buyback of shares	-	49	-	-	-	-	-	49
Amount transferred to Stock option outstanding during the vesting period	-	-	26	-	-	-	-	26
Premium on exercise of ESOP's *	-	-	-	-	(8)	-	-	(8)
Amount transferred to statement of profit and loss during the year in accordance with the scheme of arrangement with Bharti Airtel Limited	-	-	-	-	(419)	-	-	(419)
Final dividend on equity shares	-	-	-	-	-	(39,752)	-	(39,752)
Tax on final dividend on equity shares	-	-	-	-	(8,177)	-	-	(8,177)
Amount adjusted during the year in accordance with the Indus scheme	-	-	-	-	-	(927)	-	(927)
As at March 31, 2019	**48,838**	**(240)**	**68**	**471**	**58,747**	**18,870**	**66**	**126,820**

* Represents the cost of purchase price in excess of fair value of grant recognised w.r.t. shares vested during the year (net of forfeiture)

The accompanying notes form an integral part of these consolidated financial statements.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm registration number: 117366W/ W-100018

Vijay Agarwal
Partner
Membership No: 094468

Place: New Delhi
Date: April 24, 2019

For and on behalf of the **Board of Directors of Bharti Infratel Limited**

Akhil Gupta
Chairman

D S Rawat
Managing Director & CEO

S. Balasubramanian
Chief Financial Officer

Samridhi Rodhe
Company Secretary

Consolidated Statement of Cash Flows

for the year ended March 31, 2019

(₹ millions)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Cash flows from operating activities		
Profit before taxation	35,527	35,292
Adjustments for -		
Depreciation and amortization expense	10,658	11,801
Finance income	(4,406)	(2,172)
Finance costs	501	450
Dividend income	11,261	10,010
Share of profits in joint venture	(10,172)	(13,025)
Gain/loss on disposal of property, plant & equipment	(530)	(626)
Provision for doubtful trade receivables	(934)	(87)
Exceptional Item	-	260
Others	445	(249)
Operating profit before changes in assets and liabilities	**42,350**	**41,654**
Changes in trade receivables	(2,599)	82
Changes in trade payables	(64)	(167)
Changes in other current liabilities	301	1,284
Changes in other non current assets	(9)	6
Changes in other long term financial liabilities	(477)	(111)
Changes in long term provisions	31	22
Changes in short term provisions	(3)	9
Changes in other financial assets	205	(1,162)
Changes in other long term financial assets	(76)	(78)
Changes in other financial liabilities	116	14
Changes in other non current liabilities	(102)	243
Changes in other current assets	24	984
Cash generated from operations	**39,697**	**42,780**
Income tax paid (net of refunds)	(8,111)	(8,086)
Net cash flow from operating activities (A)	**31,586**	**34,694**
Cash flows from investing activities		
Purchase of property, plant & equipment	(9,559)	(10,724)
Proceeds from sale of property, plant & equipment	1,262	1,236
Investment in Bonds	(800)	(1,012)
Investment in Commercial paper/ certificate of deposits	(3,898)	(234)
Investment in Non convertible debenture	-	(1,000)
Investment in Mutual Funds	(74,953)	(73,602)
Proceeds from fixed deposit (net)	-	(4)
Proceeds from bank deposits (net)	10	-
Proceeds from sale of Mutual Funds	96,277	23,256

Consolidated Statement of Cash Flows

for the year ended March 31, 2019

(₹ millions)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Proceeds from government securities	-	37,581
Proceeds from redemption of Certificate of deposits	2,000	1,482
Proceeds from redemption of Commercial paper	2,250	498
Proceeds from sale of bonds	1,000	-
Proceeds from sale of non convertible debenture	1,000	-
Proceeds from exercise of stock options	6	6
Interest received	1,404	3,966
Net cash flow from /(used in) investing activities (B)	**15,999**	**(18,551)**
Cash flows from financing activities		
Interest - others	(18)	(17)
Proceeds from borrowings	4,000	3,250
Repayment of borrowings	(4,000)	(3,250)
Interest income on Loan	-	73
Dividend paid	(39,752)	(29,579)
Tax on dividend paid	(8,177)	(6,025)
Net cash flow used in financing activities (C)	**(47,947)**	**(35,548)**
Net increase in cash and cash equivalents during the year (A+B+C)	**(362)**	**(19,405)**
Cash and cash equivalents at the beginning of the year	308	19,713
Cash and cash equivalents at the end of the year (refer note 13)	**(54)**	**308**

The accompanying notes form an integral part of these consolidated financial statements.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm registration number: 117366W/ W-100018

Vijay Agarwal
Partner
Membership No: 094468

Place: New Delhi
Date: April 24, 2019

For and on behalf of the **Board of Directors of Bharti Infratel Limited**

Akhil Gupta
Chairman

D S Rawat
Managing Director & CEO

S. Balasubramanian
Chief Financial Officer

Samridhi Rodhe
Company Secretary

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

1. Corporate Information

Bharti Infratel Limited ('the Company' or 'BIL') was incorporated on November 30, 2006 with the object of, inter-alia, setting up, operating and maintaining wireless communication towers. The Company received the certificate of commencement of business on April 10, 2007 from the Registrar of Companies. The Registered office of the Company is situated at 901, Park Centra, Sector 30 NH-8, Gurugram Haryana – 122001.

Bharti Infratel Limited together with its wholly owned subsidiary, controlled trust and joint venture is hereinafter referred to as "the Group".

Bharti Infratel Limited is a subsidiary of Bharti Airtel Limited ('BAL') and BAL holds 33.57% shares in the Company. Nettle Infrastructure Investments Limited, Wholly owned Subsidiary of BAL also holds 19.94% shares in the Company as on March 31, 2019.

The Company is publicly traded on National Stock Exchange of India (NSE) and BSE Limited.

The Company had entered into a joint venture agreement with Vodafone Group and Aditya Birla Telecom Limited (now merged with Vodafone Idea Limited (formerly known as Idea Cellular Limited)) to provide passive infrastructure services in 15 Telecom circles of India and formed Indus Towers Limited for such purpose which is a Company incorporated in India. The Company and Vodafone Group are holding 42% each in Indus Towers Limited, 11.15% is held by Vodafone Idea Limited and 4.85% is held by P5 Asia Holding Investments (Mauritius) Limited.

During the year ended March 31, 2019, Bharti Infratel Limited and Indus Towers Limited and their respective shareholders and creditors have entered into a proposed scheme of amalgamation and arrangement (under section 230 to 232 and other applicable provisions of the Companies Act, 2013) ('Scheme') to create a pan-India tower company operating across all 22 telecom service areas. The combined company, which will fully own the respective businesses of Bharti Infratel and Indus Towers, will change its name to Indus Towers Limited and will continue to be listed on the Indian Stock Exchanges. The scheme will be accounted for on receipt of regulatory and other approvals. The Scheme has received approval from Competition Commission of India and No Objection from the Securities Exchange Board of India through BSE Limited and National Stock Exchange of India Limited. The approval from National Company Law Tribunal (NCLT) and Department of Telecommunications for FDI approval is awaited. The Scheme has been approved by the shareholders and creditors of the Company by requisite majority on February 2, 2019. The second motion petition filed with NCLT has been admitted. The matter is listed for hearing before the NCLT on May 14, 2019.

A wholly owned subsidiary, Smartx Services Limited, was incorporated on September 21, 2015 with the object of transmission through Optic Fiber Cables and setting up Wi-Fi hotspots for providing services to telecom operators and others on sharing basis.

The Company incorporated a Trust named Bharti Infratel Employees' Welfare Trust on January 07, 2015 with the object of acquiring shares through secondary acquisitions, hold them in trust for employees eligible to receive shares, and transfer such shares in accordance with ESOP Schemes.

The consolidated financial statements are approved for issuance by the Company's Board of Directors on April 24, 2019.

2. Basis of Preparation

a. Statement of compliance

These Consolidated financial statements ("financial statements") have been prepared to comply in all material aspects with the Indian Accounting Standard (Ind AS) notified under section 133 of the Companies Act, 2013, read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and as amended by the Ministry of Corporate Affairs ('MCA') from time to time.

The financial statements have been prepared under historical cost convention on accrual and going concern basis, except for the certain financial instruments which have been measured at fair value as required by relevant Ind ASs.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

All the amounts included in the financial statements are reported in millions of Indian Rupees ('Rupees' or '₹') and are rounded to the nearest millions (Mn) except per share data and unless stated otherwise.

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

b. Basis of Consolidation

The Consolidated financial statements comprise the financial statements of the Group, its subsidiary, joint venture and its directly controlled entity which are as follows: -

Entity	Country of Incorporation	Principal Service	Relationship	Shareholding as at March 31, 2019	Shareholding as at March 31, 2018
Indus Towers Limited*	India	Passive Infrastructure Services	Joint Venture	42%	42%
Smartx Services Limited*	India	Optical Fibre Service	Subsidiary	100%	100%

Details of Controlled Trust

Name of Trust	Country of Incorporation
Bharti Infratel Employee Welfare Trust*	India

*Refer note 1

Accounting for Subsidiary:

A subsidiary is an entity controlled by the Group. Control exists when the parent has power over the entity, is exposed, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns.

Subsidiary is fully consolidated from the date on which Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the period are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies and accounting period in line with those used by the Group. All intra-group transactions, balances, income and expenses and cash flows are eliminated on consolidation.

The Group consolidates its directly controlled trust on the line by line consolidation basis and according to principles of Ind AS 110, Consolidated Financial Statements.

Interest in Joint Venture

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Group's investments in its joint venture are accounted for using the equity method. Under the equity method, investments in joint venture are carried in the consolidated Balance sheet at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the joint venture, less any impairment in the value of the investments. Additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligation or made payments on behalf of the joint venture.

The joint venture is accounted for from the date on which Group obtains joint control over joint venture for the same reporting period as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

3. Significant Accounting Policies

a. Property, Plant and Equipment

Property, plant and equipment including Capital work in progress is stated at cost, except assets acquired under Schemes of Arrangement, which are stated at fair values as per the Schemes, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the Property, plant and equipment and borrowing costs for long term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognizes such parts as separate component of assets with specific useful lives and provides depreciation over their useful life. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repair and maintenance costs are recognised in the Consolidated Statement of Profit and Loss as incurred.

The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Refer note 4 regarding significant accounting judgements, estimates and assumptions and provisions for further information about the recorded decommissioning provision.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Consolidated Statement of Profit and Loss when the asset is derecognised.

Assets are depreciated to the residual values on a straight-line basis over the estimated useful lives. Estimated useful lives of the assets are as follows:

	Useful lives
Office Equipment	2 years / 5 years
Computer	3 years
Vehicles	5 years
Furniture and Fixtures	5 years
Plant & Machinery	3 to 20 Years
Leasehold Improvement	Period of Lease or useful life whichever is less

The existing useful lives of tangible assets are different from the useful lives as prescribed under Part C of Schedule II to the Companies Act, 2013 and the Group believes that this is the best estimate on the basis of technical evaluation and actual usage period.

The existing realizable values of tangible assets are different from 5% as prescribed under Part C of Schedule II to the Companies Act, 2013 and the Group believes that this is the best estimate on the basis of actual realization.

The assets' residual values and useful lives are reviewed at each financial year end or whenever there are indicators for impairment, and adjusted prospectively.

On transition to Ind AS, the Group has elected to continue with the carrying value of all its property, plant and equipment (including assets acquired under Schemes of Arrangement) except with an adjustment in decommissioning cost recognised as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the cost of the property, plant and equipment.

b. Intangible Assets

Intangible assets are recognized when the entity controls Intangible assets are recognized when the entity controls the asset, it is probable that future economic benefits attributed to the asset will flow to the entity and the cost of the asset can be reliably measured.

At initial recognition, the separately acquired intangible assets are recognised at cost. Intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets is recognised in the Consolidated Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

Software is capitalized at the amounts paid to acquire the respective license for use and is amortised over the period of license, generally not exceeding three years. Acquired telecom license is initially recognised at cost and subsequently measured at cost less accumulated amortisation and impairment losses, if any. Amortisation is recognised over the unexpired period of license.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Consolidated Statement of Profit and Loss within other income when the asset is derecognised.

c. Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. Impairment losses, if any, are recognized in Consolidated Statement of Profit and Loss as a component of depreciation and amortisation expense.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited to the extent the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognized in the Consolidated Statement of Profit and Loss when the asset is carried at the revalued amount, in which case the reverse is treated as a revaluation increase.

d. Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

Notes to Consolidated Financial Statements
for the year ended March 31, 2019

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

e. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of an arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Group as a Lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

Finance leases are capitalized at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the Consolidated Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group policy on the borrowing costs.

Leased assets are depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognized as an expense on a straight-line basis over the lease term and escalation in the contract, which are structured to compensate expected general inflationary increase are not straight lined. Contingent rents are recognized as expense in the period in Consolidated Statement of Profit and Loss in which they are incurred.

Group as a Lessor

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Groups net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Leases where the Group does not transfer substantially all the risks and rewards incidental to ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income.

Lease rentals under operating leases are recognized as income on a straight-line basis over the lease term and escalation in the contract, which are structured to compensate expected general inflationary increase are not straight lined. Contingent rents are recognized as revenue in the period in which they are earned.

f. Share-based payments

The Group issues equity-settled and cash-settled share-based options to certain employees. These are measured at fair value on the date of grant.

The fair value determined at the grant date of the equity-settled share-based options is expensed over the vesting period, based on the Group's estimate of the shares that will eventually vest.

The fair value determined on the grant date of the cash settled share based options is expensed over the vesting period, based on the Group's estimate of the shares that will eventually vest. At the end of each reporting period, until the liability is settled, and at the date of settlement, the fair value of the liability is recognized, with any changes in fair value pertaining to the vested period recognized immediately in Consolidated Statement of Profit and Loss.

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

At the vesting date, the Group's estimate of the shares expected to vest is revised to equal the number of equity shares that ultimately vest.

Fair value is measured using Black-Scholes framework and is recognized as an expense, together with a corresponding increase in equity/ liability as appropriate, over the period in which the options vest using the graded vesting method. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioral considerations. The expected volatility and forfeiture assumptions are based on historical information.

Where the terms of a share-based payments are modified, the minimum expense recognized is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it is vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options if any is reflected as additional share dilution in the computation of diluted earnings per share.

g. Cash and Cash equivalents

Cash and cash equivalents in the consolidated balance sheet comprises cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. Bank overdrafts that are repayable on demand and form an integral part of the Groups cash management are included as a component of cash and cash equivalents for the purpose of the consolidated Statement of Cash Flows.

h. Treasury shares

The Group has formed Bharti Infratel Employee Welfare Trust, for administration of ESOP Schemes of the Group. The Trust bought shares of the Group from the market, for giving shares to employees. The Group treats Trust as its extension and shares held by Trust are treated as treasury shares.

Own equity instruments ("treasury shares") which are reacquired through Bharti Infratel Employees Welfare Trust are recognized at cost and deducted from equity. No gain or loss is recognized in the Consolidated Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Group own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in the share based payment reserves. Share options exercised during the reporting period are satisfied with treasury shares.

i. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial Recognition and Measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through Profit or Loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

Debt Instruments at Amortised Cost

The category applies to the Group's trade receivables, unbilled revenue, security deposits.

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The accretion of EIR is recorded as a finance income in the Consolidated Statement of Profit and Loss. The losses arising from impairment are recognised in the Consolidated Statement of Profit and Loss.

Debt instrument at fair value through other comprehensive income (FVTOCI)

A 'debt instrument' is classified at FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent solely payment of principal and interest (SPPI).

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses and reversals in the Consolidated Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Consolidated Statement of Profit and Loss.

Interest earned whilst holding FVTOCI debt instrument is reported as interest income.

The Group has classified Investment in tax free bonds, commercial paper, certificate of deposits within this category.

Debt instrument at fair value through Profit or Loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization at amortized cost or at FVTOCI, is classified at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Consolidated Statement of Profit and Loss. This category applies to the Group investment in government securities, mutual funds, taxable bonds and non-convertible debentures.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has not designated any debt instrument as FVTPL.

Equity investments

All equity investments in scope of Ind AS 109, Financial instruments are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination, if any to which Ind AS 103, Business combinations applies are classified as at fair value through Profit or loss. Further, there are no such equity investments measured at Fair value through profit or loss or fair value through other comprehensive income in the Group.

De-recognition

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

- The contractual rights to receive cash flows from the asset have expired, or

- The Group has transferred its contractual rights to receive cash flows from the financial asset or has

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of Financial Assets

In accordance with Ind AS 109, Financial instruments the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the Financial assets that are debt instruments and are initially measured at fair value with subsequent measurement at amortised cost e.g Trade receivables, unbilled revenue etc.

The Group follows 'simplified approach' for recognition of impairment loss allowance for trade receivables.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in the subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on a twelve month ECL.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

Financial Liabilities

Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables, as appropriate

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade payables, security deposits, etc.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through Profit and Loss (FVTPL)

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109, Financial instruments are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognized in Other Comprehensive Income. These gains/ loss are not subsequently transferred to Consolidated Statement of Profit and Loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Consolidated Statement of Profit and Loss.

Financial Liabilities at Amortised Cost

This Category includes Security deposit received, trade payables etc. After initial recognition, such liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Consolidated Statement of Profit and Loss.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Consolidated Statement of Profit and Loss.

Reclassification of Financial Assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

j. Revenue Recognition

The Group earns revenue primarily from rental services by leasing of passive infrastructure and energy revenue by the provision of energy for operation of sites.

Effective April 1, 2018, the Group has applied Ind AS 115 "Revenue from Contracts with Customers" which establishes a comprehensive framework to depict timing and amount of revenue to be recognised. The Group has adopted Ind AS 115 using cumulative effect method, where any effect arising upon application of this standard is recognised as at the date of initial application (i.e April 1, 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the interim statement of profit and loss is not restated - i.e. the comparative information continues to be reported under previous standards on revenue i.e Ind AS 18 and Ind AS 11. There was no impact on adoption of Ind AS 115 to the financial statements of the Group.

Revenue is recognized when the Group satisfies the performance obligation by transferring the promised services to the customers. Services are considered performed when the customer obtains control, whereby the customer gets the ability to direct the use of such services and substantially obtains all benefits from the services. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.

In order to determine, if it is acting as principal or as an agent, the entity shall determine whether the nature of its promise is a performance obligation to provide the specified services itself (i.e. the entity is a principal) or to arrange for those services to be provided by the other party (i.e. the entity is an agent) for all its revenue arrangements.

Service revenue

Service revenue includes rental revenue for use of sites and energy revenue for the provision of energy for operation of sites.

Rental revenue is recognized as and when services are rendered on a monthly basis as per the contractual terms prescribed under master service agreement entered with customer. The Group has ascertained that the lease payment received are structured to increase in line with expected general inflationary increase in cost and therefore not straight lined.

Exit Charges is recognised when uncertainty relating to the amounts receivable on exit is resolved and it is probable that a significant reversal relating to the amounts receivable on exit will not occur.

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

Energy revenue is recognized over the period on a monthly basis upon satisfaction of performance obligation as per contracts with the customers. The transaction price is the consideration received from customers based on prices agreed as per the contract with the customers. The determination of standalone selling prices is not required as the transaction prices are stated in the contract based on the identified performance obligation.

Unbilled revenue represents revenues recognized after the last invoice raised to customer to the period end. These are billed in subsequent periods based on the prices specified in the master service agreement with the customers, whereas invoicing in excess of revenues are classified as unearned revenues. The Group collects GST on behalf of the government and therefore, it is not an economic benefit flowing to the Group, hence it is excluded from revenue.

Use of significant judgements in revenue recognition

The Group's contracts with customers include promises to transfer services to a customer which are energy and rentals. Rentals are not covered within the scope of Ind AS 115, hence identification of distinct performance obligation within Ind AS 115 do not involve significant judgement.

Judgement is required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as discounts, service level credits, waivers etc. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

In evaluating whether a significant revenue reversal will not occur, the Group considers the likelihood and magnitude of the revenue reversal and evaluates factors which results in constraints such as historical experience of the Group with a particular type of contract, and the regulatory environment in which the customers operates which results in uncertainty which is less likely to be resolved in near future.

The Group provides volume discount to its customers based on slab defined in the revenue contracts. Contract also contains clause on Service Level Penalty/ rewards in case the Group is not able to maintain uptime level mentioned in the agreement. These discount/penalties are called variable consideration.

There is no additional impact of variable consideration as per Ind AS 115 since maximum discount is already being given to customer and the same is deducted from revenue.

There is no additional impact of SLA penalty as the Group already estimates SLA penalty amount and the same is provided for at each month end. The SLA penalty is presented as net off with revenue in the Statement of profit and loss.

Exit charges are recognised in the Consolidated Statement of Profit and loss when the amounts due are collected and there is no uncertainty relating to discounts and waivers.

Determination of standalone selling price do not involve significant judgement for the Group. The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers the indicators on how customer consumes benefits as services are rendered in making the evaluation. Contract fulfillment costs are generally expensed as incurred. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

k. Finance income

Finance income comprises interest income on funds invested and changes in the fair value of financial assets at fair value through profit or loss, and that are recognised in Consolidated Statement of Profit and Loss. Interest income is recognised as it accrues in Consolidated Statement of Profit and Loss, using the effective interest rate (EIR) which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

Finance income does not include dividend income, interest on income tax refund etc. which is included in other income.

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

l. **Taxes**

The income tax expense comprises of current and deferred income tax. Income tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised in the other comprehensive income or directly in equity, in which case the related income tax is also recognised accordingly.

Current tax

The current tax is calculated on the basis of the tax rates, laws and regulations, which have been enacted or substantively enacted as at the reporting date. The payment made in excess / (shortfall) of the Group's income tax obligation for the period are recognised in the balance sheet as current income tax assets / liabilities. Any interest, related to accrued liabilities for potential tax assessments are not included in Income tax charge or (credit), but are rather recognised within finance costs. The management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is recognised, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. However, deferred tax is not recognised if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Further, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill.

Moreover, deferred tax is recognised on temporary differences arising on investments in subsidiary and joint venture unless the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. The unrecognised deferred tax assets / carrying amount of deferred tax assets are reviewed at each reporting date for recoverability and adjusted appropriately.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets and liabilities are off-set against each other and the resultant net amount is presented in the balance sheet, if and only when, (a) the Group currently has a legally enforceable right to set-off the current income tax assets and liabilities, and (b) when it relates to income tax levied by the same taxation authority.

m. **Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

n. **Dividend Payments**

Final dividend is recognized, when it is approved by the shareholders and the distribution is no longer at the discretion of the Group. However, Interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

o. **Share capital**

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

p. **Retirement and other employee benefits**

Short term employee benefits are recognised in the period during which the services have been rendered.

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

The Group post-employment benefits include defined benefit plan and defined contribution plans. The Group also provides other benefits in the form of deferred compensation and compensated absences.

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a statutory authority and will have no legal or constructive obligation to pay further amounts. The Group contributions to defined contribution plans are recognized in Consolidated Statement of Profit and Loss when the services have been rendered. The Group has no further obligations under these plans beyond its periodic contributions.

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Under the defined benefit retirement plan, the Group provides retirement obligation in the form of Gratuity. Under the plan, a lump sum payment is made to eligible employees at retirement or termination of employment based on respective employee salary and years of experience with the Group.

The cost of providing benefits under this plan is determined on the basis of actuarial valuation carried out quarterly as at the reporting date by an independent qualified actuary using the projected unit credit method. Actuarial gains and losses are recognised in full in the period in which they occur in other comprehensive income forming part of Consolidated Statement of Profit and Loss.

The obligation towards the said benefit is recognised in the consolidated balance sheet as the difference between the fair value of the plan assets and the present value of the plan liabilities. Scheme liabilities are calculated using the projected unit credit method and applying the principal actuarial assumptions as at the date of consolidated Balance Sheet. Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies.

All expenses excluding remeasurements of the net defined benefit liability (asset), in respect of defined benefit plans are recognized in the profit or loss as incurred. Remeasurements, comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability (asset)), are recognized immediately in the consolidated Balance Sheet with a corresponding debit or credit through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

The Group provides other benefits in the form of compensated absences and long term service awards. The employees of the Group are entitled to compensated absences based on the unavailed leave balance. The Group records liability based on actuarial valuation computed under projected unit credit method. Actuarial gains / losses are immediately taken to the statement of profit and loss and are not deferred. The Group presents the entire leave encashment liability as a current liability in the balance sheet, since the Group does not have an unconditional right to defer its settlement for more than 12 months after the reporting date.

Under the long term service award plan, a lump sum payment is made to an employee on completion of specified years of service. The Group records the liability based on actuarial valuation computed under projected unit credit method. Actuarial gains / losses are immediately taken to the Consolidated Statement of Profit and Loss and are not deferred.

The amount charged to the Consolidated Statement of Profit and Loss in respect of these plans is included within operating costs.

q. Provision

(i) General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Consolidated Statement of Profit and Loss, net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

liability. When discounting is used, the increase in the provision due to the passage of time (i.e., unwinding of discount) is recognised as a finance cost.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

(ii) Contingent Assets/ Liabilities

Contingent assets are not recognised. However, when realisation of income is virtually certain, then the related asset is no longer a contingent asset, and is recognised as an asset.

Contingent liabilities are disclosed in notes to accounts when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

(iii) Asset Retirement Obligations

Asset retirement obligations (ARO) are provided for those operating lease arrangements where the Group has a binding obligation at the end of the lease period to restore the leased premises in a condition similar to inception of lease.

Asset retirement obligation are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the site restoration obligation. The unwinding of the discount is expensed as incurred and recognized in the Consolidated Statement of Profit and Loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

r. Earnings per share (EPS)

The Group Basic Earnings per share is determined based on the net profit attributable to the shareholders of the parent. Basic Earnings Per Share is computed using the weighted average number of Equity shares outstanding during the period excluding shares purchased by the Group and held as treasury shares.

Diluted EPS is computed using the weighted average common and dilutive common equivalents shares outstanding during the period including shares options except where the result would be anti-dilutive.

s. Fair Value Measurement

The Group measures financial instruments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- **Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- **Level 3:** Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value measurements. Other fair value related disclosures are given in the relevant notes.

t. Foreign Currency

Functional and presentation currency

The Group financial statements are presented in INR, which is also the Group's functional currency. Presentation currency is the currency in which the financial statement of the group is presented. Functional currency is the currency of the primary economic environment in which an entity operates and is normally the currency in which the entity primarily generates and expends cash. All the financial information presented in Indian Rupees (INR) has been rounded to the nearest of million rupees, except where otherwise stated.

Transactions and Balances

Transactions in foreign currencies are initially recorded by the Group at the functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in Consolidated Statement of Profit and Loss.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

4. Significant accounting judgements, estimates and assumptions

The preparation of the Group financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

(a) Operating lease commitments – Group as lessor

The Group has assessed that its master service agreement ("MSA") with operators contains lease of its tower sites and plant and equipment and has determined, based on evaluation of the terms and conditions of the arrangements such as various lessees sharing the same tower sites with specific area, the fair value of the asset and all the significant risks and rewards of ownership of these properties retained by the Group, that such contracts are in the nature of operating lease and has accounted for as such.

The Group has ascertained that the annual escalations in the lease payment received under the MSA are structured to compensate the expected inflationary increase in cost and therefore has not been straight-lined.

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group has based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(b) Impairment of non-financial assets

The carrying amounts of the Group non-financial assets, other than deferred tax assets, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit ('CGU') is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are Grouped together into the smallest Group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Groups of assets ('CGU').

The Group's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognized, if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount and are recognised in Consolidated Statement of Profit and Loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of goodwill, if any, allocated to the units and then to reduce the carrying amounts of the other assets in the unit (Group of units) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Such reversal is recognized in the consolidated statement of profit and loss except when the asset is carried at revalued amount, the reversal is treated as a revaluation reserve.

(c) Property, plant and equipment

Refer Note 3(a) for the estimated useful life of Property, plant and equipment.

Property, plant and equipment also represent a significant proportion of the asset base of the Group. Therefore, the estimates and assumptions made to determine their carrying value and related depreciation are critical to the Group's financial position and performance.

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Increasing an asset's expected life or its residual value would result in a reduced depreciation charge in the Consolidated Statement of Profit and Loss.

The useful lives and residual values of Group assets are determined by management at the time the asset is acquired and reviewed periodically. The lives are based on historical experience with similar assets as well as anticipation of future events which may impact their life, such as changes in technology.

During the Financial Year 2014-15, the Group had re-assessed the useful life and residual value of all its assets, accordingly, effective April 1, 2014, it has revised the useful life of certain class of shelters from 15 years to 10 years and revised the residual value of certain plant and machineries (batteries and DG sets) from Nil and 5% to 25% and 10%, respectively.

Further, with effect from April 1, 2018, The Group has reassessed the residual value of batteries and Diesel

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

generators from 25% to 35% and from 10% to 20% respectively.

Set out below is the impact of above change on future period depreciation:

Particulars	Year ended March 31, 2019	After March 31, 2019
Decrease in Depreciation	1,327	2,666

(d) Allowance of doubtful trade receivables

The expected credit loss is mainly based on the ageing of the receivable balances and historical experience. Based on the industry practices and the business environment in which the entity operates, management considers that the trade receivables are provided if the payment are more than 90 days past due. The receivables are assessed on an individual basis or grouped into homogeneous groups and assessed for impairment collectively, depending on their significance. Moreover, trade receivables are written off on a case-to-case basis if deemed not to be collectible on the assessment of the underlying facts and circumstances.

(e) Asset Retirement obligation

The Group uses various leased premises to install its tower assets. A provision is recognised for the cost to be incurred for the restoration of these premises at the end of the lease period, which is estimated based on actual quotes, which are reasonable and appropriate under these circumstances. It is expected that these provisions will be utilised at the end of the lease period of the respective sites as per respective lease agreements.

(f) Share based payment

The Group initially measures the cost of cash-settled transactions with employees using a binomial model to determine the fair value of the liability incurred. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. For cash-settled share-based payment transactions, the liability needs to be remeasured at the end of each reporting period up to the date of settlement, with any changes in fair value recognised in the Profit and Loss. This requires a reassessment of the estimates used at the end of each reporting period.

5. Recent accounting pronouncements issued but not yet effective upto the date of issuance of financial statement.

(a) Ind AS 116, Leases

Ind AS 116 – 'Leases' was notified on 30th March 2019, which is applicable for the accounting period beginning from April 1, 2019. For lessees, the standard eliminates the classification of leases as either operating or finance, as required by Ind AS 17, and instead introduces a single lease accounting model. Applying that model a lessee is required to recognize, (a) assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value and (b) depreciation of leased assets separately from interest on lease liabilities in the income statement. Lessor Accounting under Ind AS 116 will not be having any transitional impact on initial recognition. Under Ind AS 17, the group was charging lease rental in statement of Profit and loss, which would be charged as depreciation and finance cost under Ind AS 116, having a favourable impact on EBITDA.

A lessor shall recognise lease payments from leases as income on either straight-line or another systematic basis. The standard permits two possible methods of transition:

- Full retrospective - Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.
- Modified retrospective - Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability at the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either at:

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or

- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

The group is in the process of evaluating the impact of transitioning from old standard i.e Ind AS 17 to new standard i.e Ind AS 116 and the transition approach.

(b) Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments

This Appendix clarifies how to apply the recognition and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments. In such a circumstance, an entity shall recognise and measure its current or deferred tax asset or liability applying the requirements in Ind AS 12 based on taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined applying this Appendix. There is no impact on the group due to notification of this Appendix.

(c) Amendment to Ind AS 12- Income Taxes

On March 30, 2019, the amendments to the guidance in Ind AS 12, 'Income Taxes' were issued in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

The amendment is effective from annual period beginning from April 1, 2019. The Group is currently evaluating the effect of this amendment.

(d) Amendment to Ind AS 19- Employee Benefits

On March 30, 2019, amendments to Ind AS 19 were issued in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity, to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Group does not have any impact on account of this amendment.

Notes to Consolidated Financial Statements
for the year ended March 31, 2019

6. Property, Plant and Equipment and Intangible Asset

(₹ millions)

Particulars	Land	Plant and equipment	Office furniture and equipment	Vehicles	Computers	Leasehold improvements	Total Tangible assets	Computer software	License fee	Total Intangible assets
Cost										
As at April 1, 2017	**2**	**133,923**	**218**	**9**	**883**	**322**	**135,357**	**505**	**28**	**533**
Additions	-	10,755	13	-	37	19	10,824	20	-	20
Disposals/adjustment	-	(4,063)	(4)	(2)	-	-	(4,069)	-	-	-
As at March 31, 2018	**2**	**140,615**	**227**	**7**	**920**	**341**	**142,112**	**525**	**28**	**553**
Additions	-	8,965	10	1	35	11	9,022	11	-	11
Disposals/adjustment	-	(3,707)	(3)	-	(6)	(2)	(3,718)	-	-	-
As at March 31, 2019	**2**	**145,873**	**234**	**8**	**949**	**350**	**147,416**	**536**	**28**	**564**
Accumulated Depreciation/ Amortization										
As at April 1, 2017	**-**	**76,383**	**187**	**6**	**741**	**229**	**77,546**	**402**	**-**	**402**
Charge for the year	-	12,023	17	-	78	22	12,140	46	2	48
Disposals/adjustment	-	(3,413)	(4)	(2)	-	-	(3,419)	-	-	-
As at March 31, 2018	**-**	**84,993**	**200**	**4**	**819**	**251**	**86,267**	**448**	**2**	**450**
Charge for the year	-	10,913	13	1	71	23	11,021	42	1	43
Disposals/adjustment	-	(3,117)	(3)	-	(1)	(2)	(3,123)	-		-
As at March 31, 2019	**-**	**92,789**	**210**	**5**	**889**	**272**	**94,165**	**490**	**3**	**493**
Net block										
As at March 31, 2018	**2**	**55,622**	**27**	**3**	**101**	**90**	**55,845**	**77**	**26**	**103**
As at March 31, 2019	**2**	**53,084**	**24**	**3**	**60**	**78**	**53,251**	**46**	**25**	**71**

(i) "Plant and equipment" comprise of assets given on operating lease. For details, refer note 38(b).

(ii) Depreciation charge for the year includes ₹ 382 Mn (FY 2017-18 - ₹ 671 Mn) being the amount provided for asset obsolescence/impairment with respect to assets not in active use.

(iii) Disposal/adjustment includes cost and accumulated depreciation for assets sold and the assets for which insurance claims are made by the Group.

(iv) Net book value of computers of ₹ 23 Mn (March 31, 2018: ₹ 68 Mn) are under finance lease.

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

7. Investment in Joint Venture

(₹ millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Unquoted at cost		
Indus Towers Limited: 500,504 shares (March 31, 2018 - 500,504) equity shares of ₹ 1 each fully paid	51,085	55,419
	51,085	**55,419**

8. Investment

a) Non-Current Investments

(₹ millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Investment carried at fair value through profit and loss		
Mutual funds (quoted)	16,007	334
Government securities (quoted)	293	290
Investment carried at fair value through other comprehensive income		
Bonds (quoted)	2,124	2,153
	18,424	**2,777**

b) Current Investments

(₹ millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Investment carried at fair value through profit and loss		
Mutual funds (quoted)	16,823	51,038
Bonds (quoted)	801	1,001
Non convertible debenture (quoted)	-	997
Government securities (quoted)	11,925	11,798
Investment carried at fair value through other comprehensive income		
Commercial paper (quoted)	-	239
	29,549	**65,073**
Aggregate value of quoted Investment (cost)	46,622	67,580
Aggregate market value of quoted Investment	47,973	67,850

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

Non-Current Investments

Details of investments in mutual funds are provided below:

(₹ millions)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Units	Amount	Units	Amount
BOI AXA Corporate Credit Spectrum Fund - Regular Plan	-	-	25,000,000	334
L& T Liquid - Growth	784,834	2,004	-	-
UTI - Liquid Cash Plan - Institutional Growth	404,787	1,235	-	-
Axis Liquid Fund - Growth (CFGPG)	2,173,652	4,489	-	-
Baroda Pioneer Liquid Fund - Plan A - Growth	1,513,826	3,238	-	-
DSP Black Rock Liquidity Fund - IP - Growth	1,138,181	3,026	-	-
Tata money market fund regular plan-Growth	687,670	2,015	-	-
	6,702,950	**16,007**	**25,000,000**	**334**

Details of investments in government securities are provided below:

(₹ millions)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Units	Amount	Units	Amount
6.97% Govt Stock 2,026	3,000,000	293	3,000,000	290
	3,000,000	**293**	**3,000,000**	**290**

Details of investments in bonds are provided below:

(₹ millions)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Units	Amount	Units	Amount
National Highway Authority of India	500	524	500	540
NTPC Limited	300	314	300	320
Housing and Urban Development Corporation Limited	200,000	222	200,000	227
Indian Railway Finance Corporation Limited	1,000	1,064	1,000	1,066
	201,800	**2,124**	**201,800**	**2,153**

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

Current Investments

Details of investments in mutual funds are provided below:

(₹ millions)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Units	Amount	Units	Amount
L& T Liquid - Growth	-	-	1,323,618	3,145
UTI - Liquid Cash Plan - Institutional Growth	-	-	141,432	401
JM High Liquidity Fund - Growth Option	3,332,222	170	10,679,744	506
Axis Liquid Fund - Growth	-	-	2,702,957	5,192
Birla Sun Life Floating Rate Fund Short Term Plan-Growth-Regular Plan	2,995,937	750	5,213,799	1,205
Tata Liquid Fund Regular Plan- Growth	-	-	65,041	208
ICICI Prudential Liquid Plan- Growth	8,616,678	2,373	16,090,248	4,125
Baroda Pioneer Liquid Fund - Plan A - Growth	-	-	1,722,777	3,427
Birla Sun Life Cash Plus - Regular - Growth	922,495	276	15,314,618	4,261
DSP Blackrock Liquidity Fund - IP - Growth	-	-	943,747	2,335
Kotak Liquid Scheme Plan A - Growth	-	-	104,454	367
Reliance Liquid Fund - Treasury Plan - Growth	-	-	458,135	1,934
SBI Magnum Insta Cash - Growth	-	-	262,794	1,006
UTI Money Market Fund -Institutional Plan - Growth	915,970	1,922	2,028,686	3,935
Invesco India Liquid Fund - Growth	931,426	2,386	1,522,476	3,629
IDFC Cash Fund - Regular - Growth	-	-	1,028,673	2,164
Reliance Quarterly Interval Fund - Series II - Growth Plan	-	-	42,323,385	1,010
Tata Money Market Fund Regular Plan- Growth	-	-	992,823	2,707
DHFL Pramerica Insta Cash Plus Fund - Growth	-	-	14,494,770	3,261
Reliance Fixed Horizon Fund	-	-	60,000,000	605
HDFC Liquid Fund-Regular Plan-Growth	-	-	14,831	51
ICICI Prudential Fixed Maturity Plan	-	-	60,000,000	604
Kotak Floater Short Term- Growth (Regular Plan)	1,036,601	3,189	1,743,940	4,960
HSBC Cash Fund	1,817,400	3,373	-	-
Franklin India Liquid Fund	855,180	2,384	-	-
	21,423,909	**16,823**	**239,172,948**	**51,038**

Notes to Consolidated Financial Statements
for the year ended March 31, 2019

Details of investments in bonds are provided below:

(₹ millions)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Units	Amount	Units	Amount
8.57% HDFC 2018	-	-	2,000	1,001
8.68% Indiabulls Housing Finance	800	801	-	-
	800	**801**	**2,000**	**1,001**

Details of investments in non-convertible debentures are provided below:

(₹ millions)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Units	Amount	Units	Amount
Indiabulls Housing Limited	-	-	1,000	997
	-	**-**	**1,000**	**997**

Details of investments in government securities are provided below:

(₹ millions)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Units	Amount	Units	Amount
7.68% Govt Stock 2,023	98,000,000	10,089	98,000,000	9,947
8.27% Govt Stock 2,020	18,000,000	1,836	18,000,000	1,851
	116,000,000	**11,925**	**116,000,000**	**11,798**

Details of investments in commercial paper are provided below:

(₹ millions)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Units	Amount	Units	Amount
Bajaj Finance Limited	-	-	1,000	239
	-	**-**	**1,000**	**239**

Notes to Consolidated Financial Statements
for the year ended March 31, 2019

9. Other Financial Assets

a) **Non-current**

(₹ millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Security deposits		
Unsecured, considered good	1,348	1,231
Unsecured, considered doubtful	294	288
Less: Provision for doubtful deposit	(294)	(288)
	1,348	**1,231**
Fixed deposits for more than one year	13	15
	1,361	**1,246**

Security Deposit includes ₹ 3 Mn (March 31, 2018 – ₹ 3 Mn) given to related parties. For details, refer note 43.

b) **Current**

(₹ millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Unbilled revenue	4,693	4,857
Security Deposit	5	1
Claims Recoverable	69	81
Less: Provision	(5)	(23)
Claims Recoverable (Net)	64	58
Interest accrued on investments	448	520
	5,210	**5,436**

"Unbilled revenue" includes amount pertaining to related parties amounting to ₹ 2,986 Mn as at March 31, 2019 (March 31, 2018 - ₹ 2,896 Mn). For detail, refer note 43.

10. Taxes

(a) **Income tax expense**

The major components of income tax expense are:

(i) Profit and loss

(₹ millions)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Current tax	10,786	10,979
Deferred tax	(197)	(624)
Income tax expense	**10,589**	**10,355**

The Company has adjusted DDT of ₹ 2,315 Mn (Previous year - ₹ 2,038 Mn) on dividend distributed by Joint venture company during year ended March 31, 2019 and accordingly recognized current tax expense and deferred tax credit with same amount.

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

(ii) Other Comprehensive Income

(₹ millions)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Deferred tax on re-measurements of defined benefits plan*	(3)	-
Fair Value changes of Financial Assets at FVTOCI	3	(3)
Income tax charged to OCI*	**-**	**(3)**

*Amount less than ₹ 1 Mn

(b) Reconciliation of effective tax rate:

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the profit before income taxes is summarized below:

(₹ millions)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Profit before taxes	35,527	35,292
Enacted tax rate in India	34.944%	34.608%
Computed tax expense	**12,415**	**12,214**
Increase/(reduction) in taxes on account of:		
Share of (profits)/losses in joint ventures	(3,555)	(4,508)
Tax on undistributed earnings of joint venture	1,735	2,222
Tax effect of long-term MTM loss/(gain) on non-current investment	(11)	(62)
Tax effect of long term capital loss/(gain) on sale of non current investment	(19)	513
Tax effect on exempted income	(51)	(50)
Others	75	26
Income tax expense recorded in the consolidated statement of profit and loss	**10,589**	**10,355**

The applicable Indian statutory tax rate for financial year 2018-19 and 2017-18 is 34.944% and 34.608%. respectively

(c) Deferred tax assets/ (liabilities)

The components that gave rise to deferred tax assets and liabilities are as follows:

(₹ millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred tax liabilities in relation to:		
Property, plant and equipment and intangible asset (excluding ARO)	569	788
Investment carried at Fair value through profit or loss/ OCI	565	210
Security deposit received measured at amortised cost	94	110
Gain on disposal of subsidiary	116	116
Total deferred Tax liabilities	**1,344**	**1,224**

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

(c) Deferred tax assets/ (liabilities) (Contd..)

(₹ millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred Tax Assets in relation to:		
Asset retirement obligation	724	626
Investment carried at Fair value through profit or loss/ OCI	40	60
Security deposit paid measured at amortised cost	3	57
Provision for doubtful debts and advance	221	469
Provision for employee benefits	103	99
Employee Stock option plans	120	120
Short term capital loss carried forward	-	28
Long term capital loss carried forward	250	259
Others	42	48
Total deferred tax assets	**1,503**	**1,766**
Deferred tax asset (net)	**(159)**	**(542)**
DDT on undistributed profit of joint venture	1,776	2,356
Deferred Tax Liabilities	**1,776**	**2,356**

Deferred tax assets and deferred tax liabilities have been offset wherever the Company has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

The Group recognises dividend distribution tax (DDT) on undistributed profits of the Joint venture as deferred tax liability (DTL). DTL relating to dividend tax paid on actual distribution of dividend by the Joint venture company is adjusted with the carrying amount of Investment. Accordingly, ₹ 2,315 Mn of DTL being DDT on amount distributed as dividend adjusted during the year has been adjusted with the carrying amount of Investment.

Current tax expense includes tax reversal of ₹ 46 Mn (March 31, 2018 – ₹ 64 Mn) and deferred tax expense includes expense of ₹ 30 Mn (March 31, 2018- ₹ 53 Mn), respectively relating to earlier periods.

The Reconciliation of Net deferred tax asset/liability is follows:

(₹ millions)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Opening balance	(542)	263
Tax expense during the year recognised in consolidated statement of profit and loss	383	(805)
Closing balance	**(159)**	**(542)**

During the year ended March 31, 2019, the Group has adjusted DDT of ₹ 2,315 Mn (Previous year - ₹ 2,038 Mn) on dividend distributed by Joint venture company in quarter ended June 30, 2018 and accordingly recognised current tax expense and deferred tax credit with the same amount. Hitherto, in the year of dividend payout, Deferred tax liability/ Investment was directly adjusted in the balance sheet.

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

11. Other Non-Current Assets

(₹ millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Capital advances		
Unsecured, considered good	-	2
Unsecured, considered doubtful	19	18
Less: Provision for doubtful advances	(19)	(18)
	-	**2**
Others		
Considered good	1,807	2,732
Considered doubtful	18	18
Less: Provision	(18)	(18)
	1,807	**2,732**
Deferred Lease security deposit	30	36
	1,837	**2,770**

"Others" comprise of payments made under protest to the Government authorities. For details, refer note 39(b).

12. Trade Receivables

(₹ millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Secured, considered good	-	-
Unsecured, considered good	5,859	4,051
Unsecured, significant increase in credit risk	-	-
Unsecured, credit impaired	-	-
Less: Allowance for doubtful receivables	(350)	(1,305)
	5,509	**2,746**

Includes receivables from related parties amounting to ₹ 3,877 Mn (March 31, 2018 - ₹ 836 Mn). For details, refer note 43. Trade receivables are non-interest bearing and due after 15 days from the date of invoice.

13. Cash and Cash Equivalents

(₹ millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with banks		
On current accounts	2	58
Deposits with original maturity of less than three months	1	250
	3	**308**

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise of following:-

(₹ millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Cash and Cash equivalents as per balance sheet	3	308
Bank Overdraft	(57)	-
	(54)	**308**

14. Other Bank Balances

(₹ millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Fixed deposits with original maturity less than twelve months	14	4
	14	**4**

15. Other Current Assets

(₹ millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Advance to supplier	1,994	1,948
Other taxes recoverable	306	482
Prepaid expenses	193	95
Others	22	28
	2,515	**2,553**

“Advance to supplier” is net of provision of ₹ 73 Mn (March 31, 2018 - ₹ 69 Mn). “Other Taxes recoverable” is net of provision of ₹ 44 Mn (March 31, 2018 - ₹ 44 Mn)

16. Share Capital

a. Equity share capital:

(₹ millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Authorized Shares		
3,500,000,000 equity shares of ₹ 10 each (3,500,000,000 equity shares as at March 31, 2018)	35,000	35,000
Issued, subscribed and fully paid-up shares		
1,849,608,246 equity shares of ₹ 10 each fully paid-up (March 31, 2018- 1,849,608,246 equity shares)	18,496	18,496
	18,496	**18,496**

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

b. Terms/ rights attached to equity shares:

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company in proportion to the number of equity shares held by the shareholders, after distribution of all preferential amounts.

The Board of directors of the Company at its meeting held on October 24, 2018 had declared an interim dividend of ₹ 7.50 per equity share which was paid subsequently.

The Board of Directors, in its meeting held on April 23, 2018, proposed a final dividend of ₹ 14 per equity share for FY 2017-18 and the same was approved by the shareholders at the Annual General Meeting held on July 24, 2018.

c. Shares held by holding Company:

Particulars	As at March 31, 2019		As at March 31, 2018	
	No.	₹ Millions	No.	₹ Millions
Equity shares of ₹ 10 each fully paid				
Bharti Airtel Limited	620,898,728	6,209	930,898,728	9,309

d. Details of shareholders holding more than 5% shares in the Company:

(₹ millions)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Units	% holding	Units	% holding
Equity shares of ₹ 10 each fully paid				
Bharti Airtel Limited	620,898,728	33.57%	930,898,728	50.33%
Nettle Infrastructure Investments Limited	368,882,251	19.94%	58,882,251	3.18%
Silverview Portfolio Investments Pte. Ltd.	130,803,065	7.07%	130,803,065	7.07%
Total	**1,120,584,044**	**60.58%**	**1,120,584,044**	**60.58%**

e. Aggregate number of bonus shares issued and shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

During the year ended March 31, 2013, the Company further allotted 1,161,605,820 equity shares as fully paid bonus shares by capitalization of securities premium account.

During the year ended March 31, 2016, the Company allotted 2,897,776 equity shares (2014-15, 2013-14 and 2012-13 - 4,468,180, 558,059 and 100,212 equity shares respectively) of ₹ 10 each to its employees on exercise of stock options under the Employee Stock Option Plan 2008 wherein part consideration was received in form of employee services, refer note 37.

f. Aggregate number and class of shares bought back during the period of five years immediately preceding the reporting date:

During the year ended March 31, 2017, the Company brought back 47,058,823 equity shares of ₹ 10 each by way of tender offer through stock exchange mechanism for cash at price of ₹ 425 per equity share.

g. Shares reserved for issue under options:

For details of shares reserved for issue under the employee stock option plan (ESOP) of the Company, refer note 37.

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

17. Other Equity

(₹ millions)

Nature	As at March 31, 2019	As at March 31, 2018
Securities premium	48,838	48,838
Treasury shares	(240)	(289)
Share based payment reserve	68	76
Capital redemption reserve	471	471
General reserve	58,747	67,351
Retained earnings	18,870	34,611
Other comprehensive income	66	90
	126,820	**151,148**

a) **Securities Premium**

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

b) **Share Based Payment reserves**

This relates to share options granted by the Company to its employees under its employee share options plan.

c) **Capital redemption reserve**

Capital redemption reserve was created on buy back of shares. A company may issue fully paid up bonus shares to its members out of Capital redemption reserve account.

d) **General Reserve**

General reserve was created out of Composite Scheme of arrangement with Bharti Airtel Limited (Refer Note 44(a))

18. Other Financial Liabilities, Non-Current

(₹ millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Security deposits	2,430	2,523
	2,430	**2,523**

The above security deposit is the fair value of total security deposit at transaction value for ₹ 3,557 Mn as at March 31, 2019 (March 31, 2018 ₹ 4,010 Mn)

“Security deposits” include transaction value of ₹ 2,056 Mn (March 31, 2018 - ₹ 2,031 Mn) amounts received from related parties. For details, refer note 43.

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

19. Provisions

a) Long term provisions

(₹ millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Asset retirement obligation (ARO)	2,538	2,322
Gratuity (refer note 36)	156	140
Long term service award	29	22
	2,723	**2,484**

The Group uses various premises on lease to install plant and equipment. Provision is recognised for the costs to be incurred for the restoration of these premises at the end of the lease period. It is expected that this provision will be utilized at the end of the lease period of the respective sites as per the respective lease agreements. The movement of Provision in accordance with Ind AS 37 on 'Provisions, Contingent liabilities and Contingent Assets' is given below:

(₹ millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Opening Balance	2,322	2,102
Provision during the year	17	48
Unwinding of discount on ARO	199	172
Closing Balance	**2,538**	**2,322**

b) Short term provisions

(₹ millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Gratuity (refer note 36)	49	54
Leave encashment	91	89
	140	**143**

20. Other Non-Current Liabilities

(₹ millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred lease-security deposit	858	1,172
Unearned revenue	450	458
	1,308	**1,630**

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

21. Borrowings

(₹ millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Bank Overdraft (unsecured)	57	-
	57	**-**

The bank overdraft carries interest rate of 8.75% per annum.

22. Trade Payables

a) Trade Payable include ₹ 84 Mn, (March 31, 2018 - ₹ 80 Mn) payable to parent & fellow subsidiary company and includes ₹ 74 Mn (March 31, 2018 - ₹ 140 Mn) payable to other related parties. For details, refer note 43.

b) Details of dues to micro, small and medium enterprises as defined under the MSMED Act, 2006

(₹ millions)

Particulars	As at March 31, 2019	As at March 31, 2018
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	26	22
Interest due on above	-	-
	26	**22**
The amount of interest paid by the buyer in terms of section 16 of the Micro Small and Medium Enterprise Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period/ year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	35	33
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	-	-

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by management. This has been relied upon by the auditors.

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

23. Other Financial Liabilities

(₹ millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Equipment supply payables	1,081	1,123
Payable to employees	234	233
Book Overdraft	158	-
Creditors for capital expenditure	704	1,131
	2,177	**2,487**

24. Other Current Liabilities

(₹ millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Accrued expenses	3,088	2,857
Other taxes payable	1,027	1,085
Unearned revenue	138	14
Liability for cash settled options (refer note 37)	10	11
Others	134	129
	4,397	**4,096**

25. Revenue from Operations

(₹ millions)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Sale of services		
Rent	39,880	40,748
Energy (including recoveries for rates and taxes)	28,382	25,464
	68,262	**66,212**

26. Other Income

(₹ millions)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest income (others)	213	370
Profit on sale of property plant and equipment	530	626
Miscellaneous income	272	56
	1,015	**1,052**

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

27. Power and Fuel

(₹ millions)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Network	25,232	22,795
Others	26	22
	25,258	**22,817**

28. Rent

(₹ millions)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Network	3,294	3,365
Others	152	153
	3,446	**3,518**

29. Employee Benefit Expenses

(₹ millions)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Salaries, wages and bonus	2,655	2,589
Contribution to provident fund	82	81
Equity settled/cash settled option expense	25	65
Staff welfare expenses	101	116
Others	52	65
	2,915	**2,916**

"Salaries, wages and bonus" includes gratuity and other post-employment benefits. For details, refer note 36. Further, for details of employee stock/cash option expense, refer note 37

30. Repairs and Maintenance

(₹ millions)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Repair and maintenance		
- Plant and machinery	2,834	3,168
- Building	4	3
- Others	797	891
	3,635	**4,062**

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

31. Other Expenses

(₹ millions)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Insurance	89	53
Travelling and conveyance	160	148
Communication expenses	102	93
Legal and professional	483	418
IT expenses	344	266
Provision for doubtful debts and advances (net)	(934)	(87)
Bad Debts Written off	887	-
Miscellaneous expenses		
- Network	90	9
- Others	121	134
	1,342	**1,034**

32. Depreciation and Amortization Expense

(₹ millions)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation	11,021	12,140
Amortization	43	48
	11,064	**12,188**
Less: adjusted with general reserve in accordance with the scheme of arrangement with Bharti Airtel Limited (refer note 44(a))	(406)	(387)
	10,658	**11,801**

33. Finance Costs and Income

(₹ millions)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Finance costs		
Interest cost	62	25
Bank charges	4	7
Unwinding of discount on asset retirement obligation	199	172
Unwinding of discount on security deposit received	264	261
	529	**465**

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

33. Finance Costs and Income (Contd..)

(₹ millions)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Finance income		
Interest income on financial assets carried at amortized cost		
Interest on bank deposit	184	199
Interest on security deposit paid	39	41
Interest income on loans	-	73
Interest income on financial assets carried at fair value through other comprehensive income		
Interest on tax free bonds	145	144
Interest on Certificate of deposits	52	56
Interest on Commercial paper	60	26
Interest income on financial assets carried at fair value through profit or loss		
Interest on Government Securities	922	2,987
Interest on taxable bonds	75	79
Interest on Non Convertible debentures	11	62
Gain/(loss) on investments (including MTM gain/(loss))	2,918	(1,497)
	4,406	**2,170**

34. Exceptional Items

Aircel was one of the leading customer of the Group. During the previous year ended March 31, 2018, Aircel filed for bankruptcy with NCLT. Pursuant to the same, the Group assessed the recoverability of dues and has taken a charge of ₹ 260 Mn as an exceptional item

35. Earnings per Share (EPS)

(₹ millions)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Nominal value of equity shares (₹)	10	10
Profit attributable to equity shareholders for computing Basic and Dilutive EPS (A) (₹ Millions)	24,938	24,937
Weighted average number of equity shares outstanding during the year for computing Basic EPS (B)	1,848,913,064	1,848,846,136
Dilutive effect on weighted average number of equity shares outstanding during the year	92,479	103,329
Weighted average number of equity shares and equity equivalent shares for computing Diluted EPS (C)	1,849,005,543	1,848,949,465
Basic earnings per share (A/B) (₹)	13.488	13.488
Diluted earnings per share (A/C) (₹)	13.487	13.487

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

36. Employee Benefits

The Group has recognised the following amounts in the consolidated statement of profit and loss:

Defined contribution plan

(₹ millions)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Employer's contribution to Provident Fund	82	81
	82	**81**

Defined benefit plan

Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each reporting period. The plan is not funded by the Group. Such liability is included in salaries, wages and bonus (refer note 29).

Gratuity

i. Amount charged to the consolidated statement of profit and loss:

(₹ millions)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Service cost	31	32
Interest cost	15	13
	46	**45**

ii. Due to its defined benefit plans, the Group is exposed to the following significant risks:

Changes in bond yields - A decrease in bond yields will increase plan liability.

Salary risk - The present value of the defined benefit plans liability is calculated by reference to the future salaries of the plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

iii. The assumptions used to determine the benefit obligation are as follows: -

(₹ millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Discount rate	7.65%	7.85%
Expected rate of increase in compensation levels	9.00%	10.00%
Expected average remaining working lives of employees (years)	22.41	22.76

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

iv. Reconciliation of opening and closing balances of defined benefit obligation

(₹ millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Present value of benefit obligation at beginning of year	194	172
Current service cost	31	32
Interest cost	15	13
Benefits paid	(22)	(22)
Actuarial (gain)/ loss	(8)	(1)
Acquisition Adjustment	(6)	-
Present value of benefit obligation at end of year	**204**	**194**

v. Amount recognised in Other Comprehensive Income:

(₹ millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Opening net cumulative unrecognised	(11)	(12)
Actuarial gain/(loss)	8	1
Unrecognised actuarial gain/(loss) at the end of year	**(3)**	**(11)**

vi. The discount rate is based on the average yield on government bonds at the reporting date with a term that matches that of the liabilities.

vii. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

viii. Estimated amounts of expense to be recognized within next year are ₹ 47 Mn (2017-18 – ₹ 46 Mn).

ix. The table below discloses maturity profile of defined benefit obligation is as follows: -

(₹ millions)

Period	Amount
April 2019- March 2020	49
April 2020- March 2021	17
April 2021- March 2022	15
April 2022- March 2023	14
April 2023 onwards	109

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

x. Sensitivity analysis: -

Particulars	Change in Assumption Year ended March 31, 2019	Change in Assumption Year ended March 31, 2018	Impact on Gratuity Year ended March 31, 2019	Impact on Gratuity Year ended March 31, 2018
Discount rate	+1%	+1%	(11)	(8)
	-1%	-1%	12	9
Salary Growth rate	+1%	+1%	12	8
	-1%	-1%	(11)	(8)

The above sensitivity analysis is based on a change in an assumption by a percentage while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. While calculating the sensitivity of the defined benefit obligation to significant actuarial assumption, same method i.e. Projected Unit Credit method has been applied as when calculating the gratuity liability recognized within the Balance sheet.

37. Employee Stock/Cash Option Plans

Pursuant to the board resolution dated July 22, 2008 and the resolution of the shareholders in extraordinary general meeting dated August 28, 2008, the Group instituted the Employee Stock Option Scheme 2008 (the 2008 Scheme).

In FY 2013-14 and 2014-15, the Group had announced performance unit plan (cash settled plan) for its employees.

In FY 2015-16, 2016-17, 2017-18, and 2018-19 the Group had announced Long term incentive plan (LTIP) 2015 (Grant 2015), Long term incentive plan (LTIP) 2015 (Grant 2016), Long term incentive plan (LTIP) 2015 (Grant 2017) and Long term incentive plan (LTIP) 2015 (Grant 2018) respectively for its employees.

The following table provides an overview of all existing stock/cash option plans of the Group:

Scheme	Plan	Stock options outstanding (in thousands)	Vesting period (years)	Contractual term (years)	Weighted average exercise price (₹)	Classification/ accounting treatment
Equity settled plans						
Infratel plan	2008 Plan	58	1 - 5	7	110	Equity settled
Infratel plan	Long term incentive plan (LTIP)	-	1 - 3	7	10	Equity settled
Infratel plan	Long term incentive plan (LTIP) 2015 (Grant 2015)	17	1 - 3	7	10	Equity settled
Infratel plan	Long term incentive plan (LTIP) 2015 (Grant 2016)	46	1 - 3	7	10	Equity settled
Infratel plan	Long term incentive plan (LTIP) 2015 (Grant 2017)	74	1 - 3	7	10	Equity settled
Infratel plan	Long term incentive plan (LTIP) 2015 (Grant 2018)	158	1 - 3	7	10	Equity settled
Cash settled plans						
Infratel	Performance Unit Plan (2013 and 2014)	23	1 - 3	7	-	Cash settled

Notes to Consolidated Financial Statements
for the year ended March 31, 2019

The following table provides details of vesting schedule (graded vesting) of all the existing stock/cash option plans of the Group:-

	Vesting period from the grant date	Vesting schedule
Company		
1. ESOP Scheme 2008 (including LTIP)		
For options with a vesting period of 36 months:		
	On completion of 12 months	30%
	On completion of 24 months	30%
	On completion of 36 months	40%
For options with a vesting period of 48 months:		
	On completion of 12 months	15%
	On completion of 24 months	20%
	On completion of 36 months	30%
	On completion of 48 months	35%
For options with a vesting period of 60 months:		
	On completion of 12 months	20%
	On completion of 24 months	20%
	On completion of 36 months	20%
	On completion of 48 months	20%
	On completion of 60 months	20%
2. Performance Unit Plan (cash settled plan) (2013 and 2014)		
For options with a vesting period of 36 months:		
	On completion of 12 months	30%
	On completion of 24 months	30%
	On completion of 36 months	40%
3. Long term incentive plan (LTIP) 2015 (Grant 2015)		
For options with a vesting period of 36 months:		
	On completion of 12 months	30%
	On completion of 24 months	30%
	On completion of 36 months	40%
4. Long term incentive plan (LTIP) 2015 (Grant 2016)		
For options with a vesting period of 36 months:		
	On completion of 12 months	30%
	On completion of 24 months	30%
	On completion of 36 months	40%

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

The following table provides details of vesting schedule (graded vesting) of all the existing stock/cash option plans of the Group:- (Contd..)

	Vesting period from the grant date	Vesting schedule
5. Long term incentive plan (LTIP) 2015 (Grant 2017)		
For options with a vesting period of 36 months:		
	On completion of 12 months	30%
	On completion of 24 months	30%
	On completion of 36 months	40%
6. Long term incentive plan (LTIP) 2015 (Grant 2018)		
For options with a vesting period of 36 months:		
	On completion of 12 months	30%
	On completion of 24 months	30%
	On completion of 36 months	40%

Information concerning the movement in stock options during the year and outstanding at the year end is as follows:

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of stock options (In '000)	Exercise price (₹)	Number of stock options (In '000)	Exercise price (₹)
Company				
Plan 2008				
Outstanding at beginning of the year	108	110	158	110
Granted	-	-	-	-
Forfeited	(1)	110	(1)	110
Exercised	(49)	110	(49)	110
Outstanding at the year end	58	110	108	110
Exercisable at end of the year	58	110	108	110
LTI Plan (Part of 2008 plan)				
Outstanding at beginning of the year	-	-	2	10
Granted	-	-	-	-
Forfeited	-	-	-	-
Exercised	-	-	(2)	10
Outstanding at the year end	-	-	-	-
Exercisable at end of the year	-	-	-	-

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

Information concerning the movement in stock options during the year and outstanding at the year end is as follows: (Contd..)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of stock options (In '000)	Exercise price (₹)	Number of stock options (In '000)	Exercise price (₹)
Cash settled Plan (2013 and 2014)				
Outstanding at beginning of the year	23	NA	75	NA
Granted	-	-	-	-
Forfeited	-	-	-	-
Exercised	-	NA	(52)	NA
Outstanding at the year end	23	NA	23	NA
Exercisable at end of the year	23	NA	23	NA
LTI Plan 2015 (Grant 2015)				
Outstanding at beginning of the year	45	10	68	10
Granted	-	-	-	-
Forfeited	(4)	10	(4)	10
Exercised	(24)	10	(18)	10
Outstanding at the year end	17	10	45	10
Exercisable at end of the year	17	10	16	10
LTI Plan 2015 (Grant 2016)				
Outstanding at beginning of the year	83	10	105	10
Granted	-	-	-	-
Forfeited	(13)	10	(6)	10
Exercised	(24)	10	(16)	10
Outstanding at the year end	46	10	83	10
Exercisable at end of the year	17	10	15	10
LTI Plan 2015 (Grant 2017)				
Outstanding at beginning of the year	110	10	-	-
Granted	-	-	115	10
Forfeited	(21)	10	(5)	10
Exercised	(15)	10	-	-
Outstanding at the year end	74	10	110	10
Exercisable at end of the year	14	10	-	-
LTI Plan 2015 (Grant 2018)				
Outstanding at beginning of the year	-	-	-	-
Granted	158	10	-	-
Forfeited	-	-	-	-
Exercised	-	-	-	-
Outstanding at the year end	158	10	-	-
Exercisable at end of the year	-	-	-	-

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

The following table summarises information about weighted average remaining contractual life, weighted average fair value and weighted average share price for the options:

Particulars	Weighted average remaining contractual life for the options outstanding as of (years)		Weighted average share price for the options granted during the year ended (₹)		Weighted average share price for the options exercised during the year ended (₹)	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Equity settled plans						
Plan 2008	2.17	2.66	-	-	278.61	385.35
LTI Plan (Part of 2008 plan)		-	-	-	-	420.30
LTI plan 2015 (Grant 2015)	6.01	6.87	-	-	292.96	380.92
LTI plan 2015 (Grant 2016)	6.88	7.62	-	-	291.83	368.71
LTI plan 2015 (Grant 2017)	7.61	8.44	-	377.42	265.83	-
LTI plan 2015 (Grant 2018)	8.44	-	258.29	-	-	-
Cash settled plans						
PUP 2013 and 2014	4.59	5.59	-	-	-	418.45

The fair value of the options granted during the year was estimated using the Black Scholes method of valuation with the following assumptions:

Particulars	LTIP Plan 2015 (Grant 2018)	LTIP Plan 2015 (Grant 2017)
	As at March 31, 2019	As at March 31, 2018
Risk free interest rates	6.21% to 8.03%	6.17% to 6.90%
Vesting period	36 months	36 months
Weighted average share price (₹)	220.20	314.52
Volatility	29.06%	33.82%
Dividend yield	4.74%	3.99%

Total employee stock/cash options expense recognised for the year ended March 31, 2019 and March 31, 2018 is ₹ 25 Mn and ₹ 65 Mn, respectively.

Notes:

(i) The Group has decided to issue equity shares on exercise of ESOPs through ESOP trust. The loan has been given to ESOP trust to purchase these Equity Shares of the Company from open market as permitted by SEBI (Share Based Employee Benefits) Regulations, 2014.

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

(ii) During FY 2014-15, Bharti Infratel Employee Welfare Trust (a trust set up for administration of Employee Stock Option Plan ('ESOP') of the Group) has acquired 1,652,000 equity shares of the Company from the open market at an average price of ₹ 377.72 per share. As of March 31, 2019, Bharti Infratel Employee Welfare Trust ('the Trust') holds 636,660 shares (Face Value of ₹ 10 each) (March 31, 2018: 762,110 equity shares) of the Company.

Particulars	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
	Number of Shares		(₹ Millions)	
Opening Balance	762,110	852,656	289	324
Issued during the year	(125,450)	(90,546)	(49)	(35)
Closing Balance	**636,660**	**762,110**	**240**	**289**

38. Leases

(a) Operating lease: Group as a lessee

The lease rentals paid under non-cancelable leases relating to rentals of building premises and cell sites as per the agreements with escalation rates ranging from 0% to 25% per annum and maximum obligation on long-term non-cancelable operating leases are as follows:

(₹ millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Lease rental charged to statement of profit and loss	3,446	3,518
Obligation on non-cancelable lease:		
Not Later than one year	3,392	3,459
Later than one year but not later than five years	14,774	14,665
Later than five years	12,741	13,220
	30,907	**31,344**

(b) Operating lease: Group as a lessor

The Group has given sites on operating lease to telecom operators. As per the agreements with the operators the escalation rates range from 0% to 2.5% per annum. The service charges recognised as income during the year for non-cancellable arrangements relating to provision for passive infrastructure sites as per the agreements is ₹ 39,888 Mn and ₹ 40,649 Mn for the year ended March 31, 2019 and March 31, 2018 respectively.

(₹ millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Future minimum lease payments:		
Not Later than one year	35,285	40,003
Later than one year but not later than five years	112,923	132,611
Later than five years	34,622	47,617
	182,830	**220,231**

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

39. Contingencies

a. Guarantees

The financial bank guarantees have been issued to regulatory authorities.

(₹ millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Total guarantees issued by banks and financials institutions on behalf of the Group	51	53
Total	**51**	**53**

b. Claims against the group not acknowledged as debt

(₹ millions)

Particulars	As at March 31, 2019	As at March 31, 2018
a) Taxes, duties and other demands (under adjudication / appeal / dispute)[@]		
- Sales tax (refer to a below)[#]	2	2
- Stamp duty (refer to b below)	192	192
- Entry tax (refer to c below)	2,375	2,374
- Municipal taxes (refer to d below)	1,543	1,360
- Service tax (refer to e below)	16,457	16,272
b) Other claims under legal cases including arbitration matters (refer to f below)	469	106
c) Income tax matters (refer to g below)[#]	5	1,398
Total	**21,043**	**21,704**

In addition to the above, the Group's share of joint ventures contingent liabilities is ₹ 23,894 and ₹ 18,379 as of March 31, 2019 and March 31, 2018 respectively.

[@]The amount includes demand amount and interest till the date of demand.

[#]Includes ₹ 2 Mn (March 31, 2018 - ₹ 2 Mn) of Sales tax and ₹ 5 Mn (March 31, 2018 - ₹ 1,398 Mn) of Income tax for which the possibility of tax demand materializing is remote, based on internal assessment of the Group.

Unless otherwise stated below, the management based on legal advice believes that, the outcome of these contingencies will be favorable and loss is not probable.

a) Sales tax/GST

The claims for sales tax comprise of the case relating to levy of demand in vehicle seizure case & non submission of concessional forms.

b) Stamp duty

The Group had received demand in certain states for stamp duty on execution of Leave and License Agreement of Cell Sites.

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

c) Entry tax

Hon'ble Apex Court on November 11, 2016 while upholding the constitutional validity of entry tax levied by few States wherever its applicable, referred all the cases back to regular benches of the Court/s to decide all existing cases on merits while testing inter alia that whether the present levies in each such case/ State is discriminatory in nature or not.

Accordingly, all the said cases were listed before the regular bench of Supreme Court wherein after taking up all pending cases on State by State basis court have found that prima facie inter alia discrimination issues still exists and all the listed petitions have been remanded back with direction, to file fresh writ petitions before respective High Courts on the ground of discrimination as well as other directions as laid down in the aforesaid judgment of nine member bench of Hon'ble Supreme Court. The Group has filed fresh writ petition in the state of Orissa, Madhya Pradesh, Chhattisgarh, Rajasthan, Mizoram and Assam and amended the pending petitions in the states of Mizoram, Bihar and Jammu & Kashmir. The amendment has been allowed in the states of Jammu & Kashmir and Mizoram and pending in the state of Bihar. Pending disposition of each case by the High Courts, the group has decided to maintain 'Status Quo' on its position/assessment.

d) Municipal taxes

The Group based on its assessment of the applicability and tenability of certain municipal levies, which is an industry wide phenomenon, does not consider the impact of such levies to be material.

Further, in the event these levies are confirmed by the respective government authorities, the Group would recover these amounts from its customers in accordance with the terms of Master Service Agreement.

e) Service tax

The service tax department had issued certain orders for the disallowance of cenvat credit availed on Inputs, Capital Goods and Input Services for the period starting from August, 2007 to March, 2014 and follow up orders for the financial year 2014-15 and 2015-16. The Group has filed writ petition before Hon'ble High Court of Delhi which was allowed in favour of the Group vide order dated October 31, 2018 wherein it was held that towers are movable in nature and Cenvat credit can be availed on receipt of such goods.

On the similar matter, there are contrary judgements by the Hon'ble High Court of Bombay in the case of few telecom operators against which, such operators have filed SLP before Hon'ble Supreme Court. These matters are pending before Supreme Court for final decision.

In separate proceeding before Directorate General of Central Excise Intelligence, the department had issued order for disallowance of Cenvat credit on items sold as scrap for the year 2014-15 and 2015-16 against which the group has filed appeal before CESTAT.

(f) Other claims mainly includes demands under BOCW Cess Act and site related legal disputes.

During the year, the group has received a demand in the state of Jammu & Kashmir (J&K) and Madhya Pradesh (MP) under Building & Other Construction Workers Cess Act,1996 (the BOCW Cess Act, 1996). The Demand in MP has been challenged before Statutory Appellate Authority of Jabalpur under BOCW Cess Act, 1996. The hearing has been concluded and the Order is reserved by the Authority. The demand in J&K has been challenged through writ petition before the J&K High Court which is now fixed for hearing on April 25, 2019.

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

(g) Income tax matters

The tax demands for Assessment years 2011-12 is mainly on issue of disallowance of provision for gratuity as unascertained provision u/s 115JB against which matter is pending before ITAT, Delhi.

The Principal bench of ITAT and CIT(A) in AY 2008-09, 2009-10 and 2011-12 and 2013-14 in respective assessment years has given relief on main issue involved in all of the assessment years i.e. disallowance of lease equalization revenue and lease equalization charges claimed/disallowed in computation of Income of respective assessment years as being notional in nature.

During the year, CIT(A) in AY 2012-13 & 2014-15 has allowed the appeal filed by group on issue of disallowance of lease equalization revenue and lease equalization charges claimed/disallowed in computation of Income of respective assessment years, relying on order passed by Delhi ITAT on similar issue in assessment year 2008-09.

40. Capital Commitment

(₹ millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Estimated amount of contracts to be executed on capital account and not provided for in the financial statements (net of capital advances)	1,309	2,674
	1,309	**2,674**

In addition to the above, the Group's share of joint ventures capital commitment is ₹ 1,069 and ₹ 1,866 as of March 31, 2019 and March 31, 2018 respectively.

41. Fair Value of Financial Assets and Liabilities

Set out below is the comparison by class of the carrying amounts and fair value of the Group's financial instruments that are recognised in the financial statements.

(₹ millions)

Particulars	Carrying Amount		Fair Value	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Financial Assets				
At fair value through profit or loss				
Investment in government securities	12,218	12,088	12,218	12,088
Investment in mutual funds	32,830	51,372	32,830	51,372
Investment in taxable bonds	801	1,001	801	1,001
Investment in non convertible debenture	-	997	-	997
At fair value through other comprehensive income				
Investment in tax free bonds	2,124	2,153	2,124	2,153
Investment in commercial paper	-	239	-	239

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

Set out below is the comparison by class of the carrying amounts and fair value of the Group's financial instruments that are recognised in the financial statements. (Contd..)

(₹ millions)

Particulars	Carrying Amount		Fair Value	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
At amortised cost				
Cash and cash equivalents	3	308	3	308
Other bank balance	14	4	14	4
Trade receivables	5,509	2,746	5,509	2,746
Other financial assets	6,571	6,682	6,571	6,682
	60,070	**77,590**	**60,070**	**77,590**
Financial Liabilities				
At amortised cost				
Borrowings	57	-	57	-
Trade payables	10,833	10,996	10,833	10,996
Other financial liabilities	4,607	5,010	4,607	5,010
	15,497	**16,006**	**15,497**	**16,006**

The following methods / assumptions were used to estimate the fair values:

i) The carrying value of cash and cash equivalents, other bank balances, trade receivables, borrowings and trade payables approximate their fair value mainly due to the short-term maturities of these instruments.

ii) The fair values of financial assets classified as fair value through profit or loss like investment in mutual funds, taxable bonds, non-convertible debenture and government securities is based on quoted market price / net asset values at the reporting date.

iii) The fair value of other financial assets and other financial liabilities is estimated by discounting future cash flows using rates applicable to instruments with similar terms, currency, credit risk and remaining maturities. The fair values of other financial assets and other financial liabilities are assessed by the management to be same as their carrying value and is not expected to be significantly different if estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

iv) The fair value of financial asset classified as fair value through other comprehensive income like Investment in tax free bonds, commercial paper, certificate of deposits etc are based on market value / net asset values at the reporting date.

There are no significant unobservable inputs used in the fair value measurement.

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

42. Fair Value Hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole;

Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 : Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3 : Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

The following table presents the financial instruments measured at fair value, by level within the fair value measurement hierarchy:

(₹ millions)

Financial Assets	As at March 31, 2019		As at March 31, 2018	
	Level 1	Level 2	Level 1	Level 2
Fair Value through Profit or loss				
Investment in Mutual Funds	32,830	-	51,372	-
Investment in Government Securities	12,218	-	12,088	-
Investments in Taxable Bonds	-	801	1,001	-
Investments in Debenture	-	-	997	-
Fair Value through OCI				
Investment in Tax Free Bonds	-	2,124	-	2,153
Investments in Commercial Paper	-	-	-	239
	45,048	**2,925**	**65,458**	**2,392**

During the year ended March 31, 2019, there were no transfers between Level 1 and Level 2 fair value measurements as well as in to and out of Level 3 fair value measurements for the investments listed above.

43. Related Party Disclosures

In accordance with the requirements of Ind AS - 24 “Related Party Disclosures”, the names of the related parties where control exists and/ or with whom transactions have taken place during the period and description of relationships, as identified and certified by the management are as below:

A. List of related parties

i. Key management personnel (KMP)

Akhil Kumar Gupta,	Chairman
D.S. Rawat,	Managing Director and CEO
Pankaj Miglani,	Chief Financial Officer (ceased to be related party w.e.f. August 9, 2018)
S. Balasubramanian,	Chief Financial Officer (w.e.f. August 10, 2018)
Samridhi Rodhe,	Company Secretary (w.e.f. January 17, 2018)

ii. Related parties where control exists irrespective of whether transactions have occurred or not

Parent Company	Bharti Airtel Limited
Ultimate Controlling Company (w.e.f. November 3, 2017)	Bharti Enterprises Holding Pvt. Ltd.

(It is held by private trusts of Bharti family, with Mr. Sunil Bharti Mittal’s family trust effectively controlling the said company)

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

iii. Other related parties with whom transactions have taken place during the period

Name of related party	Relationship
Bharti Hexacom Limited	Fellow Subsidiary
Bharti Telemedia Limited	Fellow Subsidiary
Nxtra Data Limited	Fellow Subsidiary
Nettle Infrastructure Investments Limited	Fellow Subsidiary
Bharti Airtel Services Limited	Fellow Subsidiary
Indus Towers Limited	Joint Venture
Bharti Enterprises Limited	Group Company
Centum Learning Limited	Group Company
Bharti Foundation	Group Company
Bharti Infratel Employees Welfare Trust	Group Company
Bharti Realty Holdings Limited	Group Company
Bharti Realty Limited	Group Company
Bharti Insurance Holdings Private Limited	Group Company
Bharti Ventures Limited	Group Company

Group Company' though not 'Related Parties' as per the definition under Ind-AS 24, 'Related party disclosures', have been included by way of a voluntary disclosure

B. Related Party Transactions during the year:

Related party transactions represent transactions entered into by the Group with parent company of the Group, entities having significant influence over the Group, joint venture and fellow subsidiary. The transactions with these related parties for the year ended March 31, 2019 and March 31, 2018 are described below:

(₹ millions)

Relationship	Year ended March 31,		Year ended March 31,		Year ended March 31,		Year ended March 31,	
	2019	2018	2019	2018	2019	2018	2019	2018
	Parent Company		Group Company		Fellow subsidiaries		Joint venture	
Nature of transaction								
Loan given	-	-	-	(6,100)	-	-	-	-
Loan repaid	-	-	-	6,100	-	-	-	-
Advance given	-	(60)	-	-	-	-	-	-
Buy Back pf Shares	-	-	-	-	-	-	-	-
Revenue from operations*	40,185	34,839	-	-	3,249	2,934	-	-
Purchase of property, plant and equipments	-	-	(111)	-	-	-	-	-
Expenses (other than employee related) incurred on behalf of the Company	-	-	(246)	(247)	-	-	-	-
Reimbursement of expenses	(33)	(42)	-	-	-	-	4	-
Employee related expenses incurred on behalf of Company	-	-	-	-	(4)	(6)	-	-

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

B. Related Party Transactions during the year: (Contd..)

(₹ millions)

Relationship	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018
	Parent Company		Group Company		Fellow subsidiaries		Joint venture	
Procurement of services	(145)	(171)	(13)	(14)	(36)	(33)	-	-
Security deposit received	(24)	(15)	-	-	(1)	(6)	-	-
Security deposit refunded	-	10	-	-	-	1	-	-
Commission paid	-	-	-	-	-	-	(108)	(80)
Dividend paid/declared	(20,015)	(3,724)	-	-	(1,265)	(838)	-	-
Donation given	-	-	(361)	(200)	-	-	-	-
Interest Income	-	-	-	73	-	-	-	-
Retrial Benefit - Transfer of Employees	(7)	-	-	-	-	-	-	-
	19,961	**30,837**	**(731)**	**(388)**	**1,943**	**2,052**	**(104)**	**(80)**

*Inclusive of service tax /GST

(₹ millions)

Relationship	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
	Parent Company		Group Company		Fellow subsidiaries		Joint venture	
Trade payables	(75)	(71)	-	-	(9)	(9)	(74)	(140)
Other current assets	5	60	-	-	8	-	-	-
Other financial assets	2,769	2,705	3	3	217	191	-	-
Trade receivables	3,188	702	-	-	689	134	-	-
Other financial liabilities	(1,902)	(1,878)	(12)	-	(154)	(153)	-	-
	3,985	**1,518**	**(9)**	**3**	**751**	**163**	**(74)**	**(140)**

Payments made to Key management personnel/ non-executive directors were as follows:

(₹ millions)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Short-Term employee benefits (including salary and sitting fee)	130	132
Post-Employment benefits	16	14
Share based payment	5	17
	151	**163**

Amount received from KMP for ESOP exercised is less than ₹ 1 Mn during the year ended March 31, 2019 (March 31, 2018: ₹ 1 Mn).

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the end of the year are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

44. As per transitional provisions specified in Ind AS 101, first time adoption of Indian Accounting Standards, the Group has continued to apply the accounting prescribed under the scheme with respect to mergers listed below.

(a) Scheme accounting ("Bharti Airtel Scheme")

During the year ended March 31, 2008, pursuant to the Scheme of Arrangement with Bharti Airtel Limited ('BAL Scheme') under sections 391 to 394 of the Companies Act, 1956, the telecom infrastructure undertaking of Bharti Airtel Limited was transferred to the Company. Pursuant to the Scheme, the depreciation charged by the Company on the excess of the fair values over the original book values of the assets transferred by Bharti Airtel Limited is being off-set against General Reserve. Accordingly, depreciation charges on the excess of fair value over the original value is charged to general reserve.

(b) Scheme accounting ("Indus Scheme")

The Scheme of Arrangement ('Indus Scheme') under Section 391 to 394 of the Companies Act, 1956 for transfer of all assets and liabilities, as defined in Indus scheme, from Bharti Infratel Ventures Limited (BIVL), erstwhile wholly owned subsidiary company, to Indus Towers Limited (Indus), was approved by the Hon'ble High Court of Delhi vide order dated April 18, 2013 and filed with the Registrar of Companies on June 11, 2013 with appointed date April 1, 2009 i.e. effective date of Indus Scheme and accordingly, effective June 11, 2013, the erstwhile subsidiary company has ceased to exist and has become part of Indus. The company was carrying investment in BIVL at ₹ 59,921 Mn.

Pursuant to Indus Scheme, the company has additionally got 504 shares in Indus in lieu of transfer of its investment in BIVL to Indus and recorded these additional shares at their fair value of ₹ 60,419 Mn in accordance with the requirements of Previous GAAP. The resultant gain of ₹ 382 Mn (net of taxes ₹ 116 Mn) has been disclosed as adjustment to carry forward balance of Consolidated Statement of Profit and Loss as at April 1, 2009.

45. Segment Information

The Consolidated segment information has been prepared in line with the review of operating results by the chief operating decision maker (CODM) which includes review of the results of the joint venture on proportionate consolidation basis. The results of the joint venture which were hitherto consolidated and/or accounted under proportionate consolidation method under the previous GAAP but have now been accounted for under equity method of accounting under Ind AS. The Group, however, considers joint venture as "Operating Segment" as defined under Ind AS 108, Operating segment based on review by CODM and accordingly presented segment information for two segments i.e. Infratel (including subsidiaries) and Indus (proportionate share). The total segment revenue and segment results have also been reconciled with the amount reported in the Consolidated Balance Sheet and Consolidated Statement of Profit and Loss.

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

Segment Consolidated Balance Sheet Information as at March 31, 2019

(₹ millions)

Particulars	Infratel (including subsidiaries) (A)		Proportionate share of JV (B)		Eliminations/ Adjustment* (C)		Total Reportable Segments D = (A+B+C)		Reversal of Proportionate share including elimination (+) Equity accounting (E)		Total (F)	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Segment assets												
Non-current assets												
Property, plant and equipment	53,251	55,845	72,432	74,639	(72)	(101)	125,611	130,383	(72,360)	(74,538)	53,251	55,845
Capital work-in-progress	1,180	1,103	1,305	2,963	-	-	2,485	4,066	(1,305)	(2,963)	1,180	1,103
Intangible assets	71	103	189	254	-	-	260	357	(189)	(254)	71	103
Investment in joint ventures	60,419	60,419	-	-	(60,419)	(60,419)	-	-	51,085	55,419	51,085	55,419
Financial assets												
Investment	18,424	2,777	-	-	-	-	18,424	2,777	-	-	18,424	2,777
Other Financial Assets	1,361	1,246	3,627	3,478	-	-	4,988	4,724	(3,627)	(3,478)	1,361	1,246
Income tax assets (Net)	1,137	871	2,082	2,175	-	-	3,219	3,046	(2,082)	(2,175)	1,137	871
Deferred tax Assets (Net)	159	542	-	-	(159)	(542)	-	-	159	542	159	542
Other non - Current assets	1,837	2,770	1,483	1,152	-	-	3,320	3,922	(1,483)	(1,152)	1,837	2,770
Current assets												
Financial assets												
Investment	29,549	65,073	-	-	-	-	29,549	65,073	-	-	29,549	65,073
Trade receivables	5,509	2,746	9,405	6,504	(31)	(65)	14,883	9,185	(9,374)	(6,439)	5,509	2,746
Cash and cash equivalents	3	308	1,354	447	-	-	1,357	755	(1,354)	(447)	3	308
Other Bank Balances	14	4	-	-	-	-	14	4	-	-	14	4
Other Financial Assets	5,210	5,436	9,807	4,997	-	-	15,017	10,433	(9,807)	(4,997)	5,210	5,436
Other Current Assets	2,515	2,553	854	2,585	-	-	3,369	5,138	(854)	(2,585)	2,515	2,553
Total Assets	**180,639**	**201,796**	**102,538**	**99,194**	**(60,681)**	**(61,127)**	**222,496**	**239,863**	**(51,191)**	**(43,067)**	**171,305**	**196,796**

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

Segment Consolidated Balance Sheet Information as at March 31, 2019 (Contd..)

(₹ millions)

Particulars	Infratel (including subsidiaries) (A)		Proportionate share of JV (B)		Eliminations/ Adjustment* (C)		Total Reportable Segments D = (A+B+C)		Reversal of Proportionate share including elimination (+) Equity accounting (E)		Total (F)	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Segment liabilities												
Equity												
Equity Share capital	18,496	18,496	1	1	(1)	(1)	18,496	18,496	-	-	18,496	18,496
Other Equity	137,930	158,504	51,085	55,419	(62,266)	(62,875)	126,749	151,048	71	100	126,820	151,148
Equity attributable to equity holders of the parent	**156,426**	**177,000**	**51,086**	**55,420**	**(62,267)**	**(62,876)**	**145,245**	**169,544**	**71**	**100**	**145,316**	**169,644**
Non-current liabilities												
Financial Liabilities												
Other Financial Liabilities	2,430	2,523	3,320	2,978	-	-	5,750	5,501	(3,320)	(2,978)	2,430	2,523
Long-term borrowings	-	-	4,714	4,014	-	-	4,714	4,014	(4,714)	(4,014)	-	-
Provisions	2,723	2,484	4,291	3,896	-	-	7,014	6,380	(4,291)	(3,896)	2,723	2,484
Deferred tax liability	-	-	4,536	4,409	1,617	1,814	6,153	6,223	(4,377)	(3,867)	1,776	2,356
Other non - Current liabilities	1,308	1,630	1,473	2,053	-	-	2,781	3,683	(1,473)	(2,053)	1,308	1,630
Current liabilities												
Financial Liabilities												
Short-term borrowings	57	-	18,721	12,887	-	-	18,778	12,887	(18,721)	(12,887)	57	-
Trade payables	10,833	10,996	10,189	7,649	(31)	(65)	20,991	18,580	(10,158)	(7,584)	10,833	10,996
Other financial liabilities	2,177	2,487	2,940	3,695	-	-	5,117	6,182	(2,940)	(3,695)	2,177	2,487
Other Current Liabilities	4,397	4,096	1,104	2,050	-	-	5,501	6,146	(1,104)	(2,050)	4,397	4,096
Provisions	140	143	164	143	-	-	304	286	(164)	(143)	140	143
Current tax liabilities (net)	148	437	-	-	-	-	148	437	-	-	148	437
Total liabilities	**180,639**	**201,796**	**102,538**	**99,194**	**(60,681)**	**(61,127)**	**222,496**	**239,863**	**(51,191)**	**(43,067)**	**171,305**	**196,796**

*Deferred tax liability/adjustment includes deferred tax liability on undistributed profit on Joint Venture Company.

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

Segment Consolidated Profit and Loss Information for the year ended March 31, 2019

(₹ millions)

Particulars	Infratel (including subsidiaries) (A)		Proportionate share of JV (B)		Eliminations/ Adjustment* (C)		Total Reportable Segments D = (A+B+C)		Reversal of Proportionate share including elimination (+) Equity accounting (E)		Total (F)	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Income												
Revenue from operations - External												
Rent	39,835	40,714	45,403	48,980	-	-	85,238	89,694	(45,403)	(48,980)	39,835	40,714
Energy (including rates and taxes)	28,382	25,464	32,203	29,738	-	-	60,585	55,202	(32,203)	(29,738)	28,382	25,464
Intersegment revenue	45	34	-	-	(45)	(34)	-	-	45	34	45	34
Other income	12,276	11,062	1,019	1,371	(11,261)	(10,010)	2,034	2,423	(1,019)	(1,371)	1,015	1,052
Total Income	**80,538**	**77,274**	**78,625**	**80,089**	**(11,306)**	**(10,044)**	**147,857**	**147,319**	**(78,580)**	**(80,055)**	**69,277**	**67,264**
Expenses												
Power and fuel	25,258	22,817	30,778	27,955	-	-	56,036	50,772	(30,778)	(27,955)	25,258	22,817
Rent	3,446	3,518	9,105	9,097	-	-	12,551	12,615	(9,105)	(9,097)	3,446	3,518
Employee expenses	2,915	2,916	1,999	2,086	-	-	4,914	5,002	(1,999)	(2,086)	2,915	2,916
Repairs and maintenance	3,635	4,062	4,768	4,976	-	-	8,403	9,038	(4,768)	(4,976)	3,635	4,062
Other expenses	1,342	1,034	1,844	2,163	-	-	3,186	3,197	(1,844)	(2,163)	1,342	1,034
Intersegmental expense	-	-	45	34	(45)	(34)	-	-	-	-	-	-
Total Expense	**36,596**	**34,347**	**48,539**	**46,311**	**(45)**	**(34)**	**85,090**	**80,624**	**(48,494)**	**(46,277)**	**36,596**	**34,347**

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

Segment Consolidated Profit and Loss Information for the year ended March 31, 2019 (Contd..)

(₹ millions)

Particulars	Infratel (including subsidiaries) (A)		Proportionate share of JV (B)		Eliminations/ Adjustment* (C)		Total Reportable Segments D = (A+B+C)		Reversal of Proportionate share including elimination (+) Equity accounting (E)		Total (F)	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Profit/(Loss) before share of profit of a joint venture, depreciation, finance cost, exceptional items and tax	**43,942**	**42,927**	**30,086**	**33,778**	**(11,261)**	**(10,010)**	**62,767**	**66,695**	**(30,086)**	**(33,778)**	**32,681**	**32,917**
Finance Costs	529	465	2,531	2,123	-	-	3,060	2,588	(2,531)	(2,123)	529	465
Finance Income	(4,406)	(2,170)	(225)	(418)	-	-	(4,631)	(2,588)	225	418	(4,406)	(2,170)
Depreciation and Amortization Expense	10,658	11,801	11,581	11,661	-	-	22,239	23,462	(11,581)	(11,661)	10,658	11,801
Charity & Donation	545	294	176	177	-	-	721	471	(176)	(177)	545	294
Profit/(Loss) before share of profit of a joint venture, exceptional items and tax	**36,616**	**32,537**	**16,023**	**20,235**	**(11,261)**	**(10,010)**	**41,378**	**42,762**	**(16,023)**	**(20,235)**	**25,355**	**22,527**
Share of profits in Joint Venture	-	-	-	-	-	-	-	-	10,172	13,025	10,172	13,025
Profit before exceptional items and tax	**36,616**	**32,537**	**16,023**	**20,235**	**(11,261)**	**(10,010)**	**41,378**	**42,762**	**(5,851)**	**(7,210)**	**35,527**	**35,552**
Exceptional items	-	260	357	240	-	-	357	500	(357)	(240)	-	260
Profit before tax	**36,616**	**32,277**	**15,666**	**19,995**	**(11,261)**	**(10,010)**	**41,021**	**42,262**	**(5,494)**	**(6,970)**	**35,527**	**35,292**
Income tax	8,853	8,133	5,494	6,970	1,736	2,222	16,083	17,325	(5,494)	(6,970)	10,589	10,355
Profit for the period	**27,763**	**24,144**	**10,172**	**13,025**	**(12,997)**	**(12,232)**	**24,938**	**24,937**	**-**	**-**	**24,938**	**24,937**
Other comprehensive income	(22)	23	(2)	1	-	-	(24)	24	-	-	(24)	24
Total comprehensive income for the period	**27,741**	**24,167**	**10,170**	**13,026**	**(12,997)**	**(12,232)**	**24,914**	**24,961**	**-**	**-**	**24,914**	**24,961**

*Elimination represents elimination of transaction between BIL and Indus on proportionate consolidation basis and Adjustments represents provision for DDT on undistributed profit of Joint Venture included under taxation line item above.

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

46. Interest in Joint Venture

The Group has a 42% interest in Indus Towers Limited, a joint venture involved in establishing, operating and maintaining wireless communication towers in India. The Group's interest in Indus Towers Limited is accounted for using the equity method in the consolidated financial statements.

Summarised financial information of Indus Towers Limited based on its Ind AS financial statements and reconciliation with the carrying amount of the investment in consolidated financial statements is as follows: -

Summarised information on Balance sheet

(₹ millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Assets		
Non Current Assets	**193,138**	**201,576**
Current Assets		
Cash and cash equivalents	3,224	1,063
Other current assets (excluding cash and cash equivalents)	47,774	33,534
Total current assets	**50,998**	34,597
Total Assets	**244,136**	**236,173**
Liabilities		
Non current liabilities		
Borrowings	11,223	9,556
Other non current liabilities	32,429	31,751
Total non current liabilities	**43,652**	**41,307**
Current liabilities		
Borrowings	44,574	30,683
Other current liabilities	34,279	32,233
Total current liabilities	**78,853**	**62,916**
Equity	**121,631**	**131,950**
Total Equity and Liabilities	**244,136**	**236,173**
Percentage of group's ownership interest	42%	42%
Interest in joint venture	51,085	55,419
Carrying amount of investment	**51,085**	**55,419**

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

Summarised information on statement of profit and loss

(₹ millions)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Revenue	184,775	187,424
Other Income	2,424	3,264
Power and fuel	73,281	66,559
Rent	21,678	21,659
Employee expenses	4,758	4,962
Repairs and maintenance	11,352	11,847
Other expenses	4,916	5,659
Depreciation and amortisation	27,572	27,766
Finance cost	6,028	5,053
Finance Income	(534)	(995)
Income tax expense	13,078	16,593
Exceptional items	850	572
Profit for the year	**24,220**	**31,013**
Other comprehensive income for the year	(6)	3
Percentage of group's ownership interest	42%	42%
Group's share in joint venture's profit for the year	10,172	13,025
Group's share in joint venture's other comprehensive income for the year	(2)	1
Group's share in joint venture's total comprehensive income for the year	**10,170**	**13,026**
Dividend received from joint venture	**11,261**	**10,010**

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

47. Additional information, as required under Schedule III to the companies act, 2013 for entities consolidated as subsidiary, controlled trust and joint ventures

(₹ millions)

Name of the entity	FY 2018-19 Net assets i.e., total assets minus total liabilities: As % of consolidated net assets	Amount	Share in profit or loss: As % of consolidated net assets	Amount	Share in other comprehensive income: As % of consolidated net assets	Amount	Share in total comprehensive income: As % of consolidated net assets	Amount
Parent								
Bharti Infratel Limited	75%	156,643	73%	27,790	90%	(22)	73%	27,768
Subsidiary								
Smartx Service Limited	0%	9	0%	(26)	0%	-	0%	(26)
Joint Venture (as per equity method)								
Indian								
Indus Towers Limited	25%	51,084	27%	10,172	10%	(2)	27%	10,170
Controlled Trust								
Bharti Infratel Employee Welfare Trust	0%	(197)	0%	13	0%	-	0%	13
Total (Gross)	**100%**	**207,539**	**100%**	**37,949**	**100%**	**(24)**	**100%**	**37,925**
Adjustment arising out of consolidation	-	(62,223)	-	(13,010)	-	-	-	(13,010)
Total (Net)		**145,316**		**24,939**		**(24)**		**24,915**

Name of the entity	FY 2017-18 Net assets i.e., total assets minus total liabilities: As % of consolidated net assets	Amount	Share in profit or loss: As % of consolidated net assets	Amount	Share in other comprehensive income: As % of consolidated net assets	Amount	Share in total comprehensive income: As % of consolidated net assets	Amount
Parent								
Bharti Infratel Limited	76%	177,254	65%	24,139	96%	23	65%	24,162
Subsidiary								
Smartx Service Limited	0%	35	0%	5	0%	-	0%	5
Joint Venture (as per equity method)								
Indian								
Indus Towers Limited	24%	55,419	35%	13,025	4%	1	35%	13,026
Controlled Trust								
Bharti Infratel Employee Welfare Trust	0%	(259)	0%	3	0%	-	0%	3
Total (Gross)	**100%**	**232,449**	**100%**	**37,172**	**100%**	**24**	**100%**	**37,196**
Adjustment arising out of consolidation	-	(62,805)	-	(12,235)	-	-	-	(12,235)
Total (Net)		**169,644**		**24,937**		**24**		**24,961**

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

48. During financial year 2016-17, the Group (concessionaire) has entered into a service concession agreement as a lead member with Bhopal Smart City Development Corporation Limited (BSCDL/ grantor) along with other consortium members for implementation and maintenance of "Bhopal Smart City project" (the project) vide agreement dated October 28, 2016. As per the terms of the agreement, the Group along with the consortium members has to work on Build, Own, Operate and Transfer (BOOT) model on Public Private Partnership (PPP) basis. Smartx Services Limited is one of the Consortium members of the project.

The concession period granted as per the agreement is 15 years (excluding implementation period of 1 year) further extendable by another 15 years based on mutually agreed terms and conditions.

The title of interest, ownership and rights with regard to project implemented by the Group along with fixtures/ fittings provided therein shall rest with the Group until the expiry/ termination of the agreement and the rights related to the land allotted by the BSCDCL shall vest with the BSCDCL, except that, these will be operated and maintained by the Group at its own cost and expenses as agreed in the concession agreement.

These project facilities and assets constructed shall be transferred to BSCDCL at zero cost on expiry/ termination of the agreement. On obtaining the Completion Certificate from the specified authority, The Group shall be exclusively entitled to demand and collect revenue from the project assets in any manner.

The Concessionaire shall pay a fixed quarterly revenue share, as specified by the terms of agreement, to BSCDCL over the concession period.

49. The Group was required to spend ₹ 440 Mn towards CSR expenditure as per the requirement of the Companies Act 2013. During the year ₹ 414 Mn were spent towards ongoing long term CSR projects basis approval from the board. The disbursement of committed funds was based on the individual project work plans and milestones achieved over the year. All projects are being monitored and evaluated on the progress made and impact created during the routine course of the business.

The Group also contributed as charity/donation to Ibadat Foundation* and Bharti Foundation (₹ 1 Mn via Airtel Delhi Half Marathon).

*Amount is less than 1 Mn

Charity and donation includes ₹ 130 Mn (FY 2017-18: ₹ 80 Mn) paid to Prudent electoral trust (erstwhile Satya electoral trust).

50. Financial Risk Management Objectives and Policies

The Group's principal financial liabilities comprise trade payables, security deposits, short term borrowings, etc. The main purpose of these financial liabilities is to manage finances for the Group's operations. The Group's principal financial assets include Investment in Mutual Funds, Bonds and Government Securities, trade and other receivables, unbilled revenue, cash and cash equivalents, security deposits, etc. that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance frame work for the Group are accountable to the Board Audit Committee. This process provides assurance to the Group's senior management that the Group's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Group policies and Group risk appetite. The Group has not entered into any derivative transactions. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes shall be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below:

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

(a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprise three types of risk: interest rate risk, foreign currency risk and price risk. Financial instruments affected by market risk include interest bearing investment in bonds, government securities and fixed deposits.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2019 and March 31, 2018.

The Group's exposure to financial risks is to a variety of financial risks, including the effect of changes in foreign currency exchange rates, if any. The Group uses derivative financial instruments such as foreign exchange contracts to manage its exposures and foreign exchange fluctuations, if any.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group has invested in Government securities and bonds which will fetch a fixed rate of interest, hence, the income and operating cash flows are substantially independent of changes in market interest rates.

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Indian Rupee is the Group's functional currency. As a consequence, the Group's results are presented in Indian Rupee and exposures are managed against Indian Rupee accordingly. The Group has very limited foreign currency exposure mainly due to incurrence of some expenses. The Group may use foreign exchange option contracts or forward contracts towards operational exposures resulting from changes in foreign currency exchange rates exposure. These foreign exchange contracts, carried at fair value, may have varying maturities depending upon the primary host contract requirement.

The Group manages its foreign currency risk by hedging appropriate percentage of its foreign currency exposure, as approved by the Board as per established risk management policy.

(iii) Price risk

The Group invests its surplus funds in various Government securities, taxable and tax free quoted debt bonds, liquid & Money Market schemes of mutual funds (liquid investments) and higher duration short term debt funds.

These are susceptible to market price risk, mainly arising from changes in the interest rates or market yields which may impact the return and value of such investments. The Group manages the price risk through diversification from time to time.

(b) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities, including deposits with banks and financial institutions, and other financial instruments.

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally on 15 days credit term. Outstanding customer receivables are regularly monitored. The ageing analysis of gross trade receivables as of the reporting date is as follows:

(₹ millions)

Particulars	Within due date	Less than 30 days	30 to 60 days	60 to 90 days	above 90 days	Total
Trade receivables as at March 31, 2019	579	2,583	855	575	1,267	**5,859**
Trade receivables as at March 31, 2018	367	456	567	827	1,834	**4,051**

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by Group's treasury in accordance with the board approved policy. Investment of surplus funds are made only with approved counterparties who meet the minimum threshold requirements under the counterparty risk assessment process. The Group monitors ratings, credit spreads and financial strength on at least quarterly basis. Based on its on-going assessment of counterparty risk, the Group adjusts its exposure to various counterparties. The Group's maximum exposure to credit risk for the components of the Balance Sheet at March 31, 2019, March 31, 2018 is the carrying amounts as illustrated in Note 41.

(c) Liquidity risk

Liquidity risk is the risk that the Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Group's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Group's principal sources of liquidity are cash and cash equivalents and the cash flow generated from operations. The Group closely monitors its liquidity position and deploys a robust cash management system.

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments: -

(₹ millions)

Particulars	As at March 31, 2019						
	Carrying Amount	Contractual Cash flow	Less than 6 months	6 to 12 months	1 to 2 years	> 2 years	Total
Bank Overdraft	57	57	57	-	-	-	57
Trade payables	10,833	10,833	10,833	-	-	-	10,833
Other Financial liabilities	4,607	5,733	2,641	26	220	2,846	5,733
Total	**15,497**	**16,623**	**13,531**	**26**	**220**	**2,846**	**16,623**

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

(₹ millions)

Particulars	As at March 31, 2018						
	Carrying Amount	Contractual Cash flow	Less than 6 months	6 to 12 months	1 to 2 years	> 2 years	Total
Trade payables	10,996	10,996	10,996	-	-	-	10,996
Other Financial liabilities	5,010	6,497	2,934	256	318	2,989	6,497
Total	**16,006**	**17,493**	**13,930**	**256**	**318**	**2,989**	**17,493**

Capital management

For the purpose of Group's Capital management, Capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity shareholders. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group has availed Bank overdraft facility for ₹ 57 Mn (Mar 31, 2018 - ₹ Nil) which is integral part of cash management. The cash and cash equivalent of the group is ₹ 3 Mn as at March 31, 2019 (March 31, 2018 - ₹ 308 mn). The Group is not having any interest bearing debt as at March 31, 2019 and March 31, 2018 except disclosed above.

51. On April 23, 2018 the Board of Directors had proposed a final dividend of ₹ 14 per equity share to all the existing shareholders for the year ended March 31, 2018 which has been approved by the shareholders in the annual general meeting dated July 24, 2018 and paid subsequently.

52. There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at March 31, 2019.

53. During the year, the company has entered into arrangements with operators to receive an amount estimating to ₹ 4,900 Mn, which become due over the period of 36 months in monthly equated instalments effective January 1, 2019 on account of exit charges subject to fulfilment of certain periodic obligations given by the company and further extension of new or existing tenancies to the extent of future rental amounting to ₹ 3,960 Mn. Revenue from operations includes exit charges amounting to ₹ 1,010 Mn recognised during the year ended March 31, 2019.

54. The Board of Directors has declared an interim dividend of ₹ 7.50 per equity share in its meeting held on April 24, 2019 for financial year 2018-19.

Standalone Financial Statements

Independent Auditor's Report

To

The Members of
Bharti Infratel Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Bharti Infratel Limited (the Company), which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	**Revenue recognition – accuracy of revenue recorded** There is an inherent risk around the accuracy of revenue recorded at rates other than the approved contracts / agreements. This is because the Company's billing systems are complex and process large volume of data, including combination of different components of revenue. (Refer to Note 3(i) and 25 to the standalone financial statements)	**Principal audit procedures performed:** Our audit approach consisted evaluation of design and implementation of controls, and testing the operating effectiveness of the internal controls over: • Capture and recording of revenue transactions; • Authorisation of rates changes and input of the rate changes into the billing systems; • Preparation and validation of the billing schedule; and • Calculations of amounts billed to operators, in line with underlying contracts / agreements; We tested a sample of invoices issued to operators to ensure that the revenue recorded are agreeing to the relevant underlying supporting documentation. We also performed analytical procedures to test the recorded rental revenue;

Sr. No.	Key Audit Matter	Auditor's Response
		We involved our internal IT specialists to test IT general controls and application specific controls surrounding billing system, including testing of system generated reports used in our audit; We examined and assessed the accounting policies applied in the recognition of revenue for compliance with the applicable financial reporting framework; and We challenged management estimates around appropriateness of revenue recognition and reversals for biases that could result in material misstatement.
2	**Evaluation of uncertain tax positions** The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes. (Refer to Note 39(b) to the standalone financial statements)	**Principal audit procedures performed:** Our audit procedures included evaluation of design of controls and testing of operating effectiveness of the Company's controls over assessment and evaluation of possible outcomes around tax disputes. We involved our internal tax experts, to gain understanding of the current status of the disputed tax cases; and to challenge management's underlying assumptions in estimating the possible outcome of these tax disputes. Our internal tax experts considered legal precedence and other ruling in evaluating management's position on these uncertain tax positions. We also considered the effect of new information in respect of uncertain tax positions as at April 1, 2018 to evaluate whether any change was required to management's position on these uncertainties. Our audit procedures also included; • Reading and evaluating external legal opinions obtained by the management; • Direct communication with the relevant third party legal representatives and discussion with them regarding certain material disputed tax cases; • Inquiry with local management, reading relevant correspondence and assessing management conclusion in similar tax cases.

Sr. No.	Key Audit Matter	Auditor's Response
3	**Valuation and existence of property, plant and equipment including assessment of useful lives and residual values** Property, plant and equipment represents a significant proportion of the Company's asset base, being 30 % of the Company's total assets. The estimates and assumptions made to determine the carrying amounts, including whether and when to capitalise or expense certain costs, and the determination of depreciation charges are material to the Company's financial position and performance. The charges in respect of periodic depreciation are derived after estimating an asset's expected useful life and the expected residual value. Changes to assets' carrying amounts, expected useful lives or residual value could result in a material impact on the financial statements. (Refer to Note 3(a), 4(c) and 6 to the standalone financial statements)	**Principal audit procedures performed:** Our audit approach consisted evaluation of design and implementation of controls, and testing the operating effectiveness of the internal controls over: • Valuation of property, plant and equipment and review of useful lives; • Periodic physical verification of property, plant and equipment; We involved our internal IT specialists to test IT general controls and application specific controls including testing of system generated reports used in our audit; We tested a sample items of property, plant and equipment acquired and capitalised for new rollout, upgrade or expansion of sites during the year and inspected relevant underlying documentation to assess whether these items met the criteria for capitalisation with reference to the requirements of the prevailing accounting standards; We physically inspected a sample of sites and warehouses at the year-end to ensure existence of property, plant and equipment and tested the reconciliation between physical verification reports and fixed assets registers on a sample basis to determine any adjustments that may be required thereon; We performed a reconciliations between number of sites on which revenue has been recognised and network cost have been incurred with number of sites as per fixed asset records; and. We performed substantive testing for the determination of asset useful lives and residual values. In performing these procedures we considered management's judgments, including the appropriateness of existing asset lives and residual values applied in the calculation of depreciation to determine whether these judgments reflected technological developments within the industry and changes in the anticipated duration of use by the management

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report, Business Responsibility Report and Report on Corporate Governance, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Vijay Agarwal
Partner
(Membership No.094468)

Place: New Delhi
Date: April 24, 2019

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Bharti Infratel Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Vijay Agarwal
Partner
(Membership No.094468)

Place: New Delhi
Date: April 24, 2019

Annexure "B" to the Independent Auditor's Report

((Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets and capital work in progress were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us, the title deeds comprising the immovable property of land are held in the name of the Company as at the balance sheet date.

(ii) The Company does not have any inventory and hence reporting under clause (ii) of the Order is not applicable.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans.

(v) The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2019 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.

(vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax, Customs Duty, cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax, cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Entry Tax, Sales Tax, Service Tax, Value Added Tax and Goods and Service Tax which have not been deposited as on March 31, 2019 on account of disputes are given below:

Name of Statute	Nature of dues	Forum where the dispute is pending	Period to which amount relates	Amount (₹ in mn)*
Income Tax Act, 1961	Income Tax	CIT(Appeals)	FY 2011-12	#
		Assessing Officer (TDS)	FY 2008 - 09 to FY 2016-17	2
Bihar Entry Tax Act, Jammu and Kashmir Entry Tax Act, Madhya Pradesh Entry Tax Act, Himachal Pradesh Entry Tax Act, Mizoram Entry Tax Act, Assam Entry Tax Act, Orissa Entry Tax Act, Rajasthan Entry Tax Act, Chhattisgarh Entry Tax Act, Nagaland Entry Tax Act	Entry Tax	Hon'ble High Court	FY 2007-08 to FY 2018-19	550

Name of Statute	Nature of dues	Forum where the dispute is pending	Period to which amount relates	Amount (₹ in mn)*
Chhattisgarh Entry Tax Act, Madhya Pradesh Entry Tax Act, Orissa Entry Tax Act, Himachal Pradesh Entry Tax Act		Tribunal	FY 2007-08 to FY 2013-14	66
Madhya Pradesh Entry Tax Act, Assam Entry Tax Act		Appellate Authority, Additional Commissioner	FY 2014-15 and FY 2016-17	1
Uttar Pradesh Entry Tax Act		Deputy Commissioner, Appeal	FY 2008-09 to FY 2009-10	#
Bihar Entry Tax Act		Joint Commissioner, Appeal	FY 2008-09 to FY 2013-14	22
Uttar Pradesh Value Added Tax Act, 2007, Madhya Pradesh VAT Act, 2002, Tripura VAT Act, Haryana CST Act	Sales Tax	Tax Appellate Authority	FY 2011-12 to FY 2015-16	1
		Additional Commissioner Appeals, Lucknow	FY 2008-09	#
Uttar Pradesh Value Added Tax Act, 2007, Madhya Pradesh VAT Act, 2002		Deputy Commissioner, Commercial Tax	FY 2008-09 and FY 2012-13	#
Bihar Value Added Tax Act, 2005		Joint Commissioner, Appeal	FY 2014-15	#
Finance Act, 1994	Service Tax	Hon'ble High Court, Delhi	FY 2007-08 to FY 2012-13	15,317
		CESTAT	FY 2013-14 to FY 2015-16	860
Madhya Pradesh Goods and Service Tax Act	Goods and Service Tax	Commercial Tax Officer	2018-19	#

- Less than ₹ 1 millions

* - Of the above mentioned cases, total amount paid under protest; against income tax, entry tax and service tax is ₹ 3 mn, ₹ 1,533 mn and ₹ 280 mn, respectively.

^ - For the period FY'08 to FY'13, the Company has received a favourable order form the High Court and the department is yet to file an appeal against the same

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of borrowings to banks and financial institutions. The Company has not taken any loan or borrowing from government and has not issued any debentures.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Vijay Agarwal
Partner
(Membership No.094468)

Place: New Delhi
Date: April 24, 2019

Balance Sheet

as at March 31, 2019

(₹ millions)

Particulars	Note	As at March 31, 2019	As at March 31, 2018
Assets			
Non-current assets			
Property, plant and equipment	6	53,203	55,814
Capital work-in-progress		1,040	998
Intangible assets	6	46	77
Investment in joint venture	7	60,419	60,419
Financial assets			
Investment	8	18,454	2,807
Other financial assets	9	1,646	1,367
Income tax assets (net)		1,136	871
Deferred tax assets (net)	10	150	542
Other non-current assets	11	1,837	2,770
		137,931	**125,665**
Current assets			
Financial assets			
Investment	8	29,549	65,073
Trade receivables	12	5,454	2,745
Cash and cash equivalents	13	2	305
Other bank balance	14	14	4
Other financial assets	9	5,216	5,466
Other current assets	15	2,673	2,782
		42,908	**76,375**
Total assets		**180,839**	**202,040**
Equity and liabilities			
Equity			
Equity share capital	16	18,496	18,496
Other equity	17	138,147	158,758
		156,643	**177,254**
Non-current liabilities			
Financial liabilities			
Other financial liabilities	18	2,430	2,523
Provisions	19	2,723	2,484
Other non - current liabilities	20	1,308	1,630
		6,461	**6,637**
Current liabilities			
Financial liabilities			
Borrowings	21	57	-
Trade payables	22		
-Total outstanding dues of micro enterprises and small enterprises		26	22
-Total outstanding dues of creditors other than micro enterprises and small enterprises		10,800	10,973
Other financial liabilities	23	2,171	2,479
Other current liabilities	24	4,393	4,096
Provisions	19	140	143
Current tax liabilities (net)		148	436
		17,735	**18,149**
Total liabilities		**24,196**	**24,786**
Total equity and liabilities		**180,839**	**202,040**

The accompanying notes form an integral part of these financial statements

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm registration number: 117366W/ W-100018

For and on behalf of the Board of Directors of Bharti Infratel Limited

Vijay Agarwal
Partner
Membership No: 094468

Akhil Gupta
Chairman

D S Rawat
Managing Director & CEO

Place: New Delhi
Date: April 24, 2019

S. Balasubramanian
Chief Financial Officer

Samridhi Rodhe
Company Secretary

Statement of Profit and Loss

for the year ended March 31, 2019

(₹ millions)

Particulars	Note	Year ended March 31, 2019	Year ended March 31, 2018
Income			
Revenue from operations	25	68,217	66,180
Other income	26	12,276	11,061
Total Income		**80,493**	**77,241**
Expenses			
Power and fuel	27	25,249	22,813
Rent	28	3,421	3,505
Employee benefit expenses	29	2,915	2,916
Repairs and maintenance	30	3,635	4,062
Other expenses	31	1,317	1,030
Total Expenses		**36,537**	**34,326**
Profit before depreciation and amortization, finance cost, finance income, charity and donation and tax		**43,956**	**42,915**
Depreciation and amortization expense	32	11,043	12,183
Less: adjusted with general reserve in accordance with the Scheme of arrangement with Bharti Airtel Limited (refer note 44(a))	32	(406)	(387)
		10,637	**11,796**
Finance costs	33	529	465
Finance income	33	(4,406)	(2,170)
Charity and donation	48	545	294
Profit before exceptional items and tax		**36,651**	**32,530**
Exceptional items	34	-	260
Profit before tax		**36,651**	**32,270**
Income tax expense:		**8,861**	**8,131**
Current tax	10	8,469	8,939
Deferred tax	10	392	(808)
Profit for the year		**27,790**	**24,139**
Other comprehensive income ('OCI')			
Items that will not be re-classified to Profit and Loss			
Remeasurements gains/(loss) of defined benefit plans (net of tax)		5	1
Items that will be re-classified to Profit and Loss			
Fair value changes on financial assets through OCI (net of tax)		(27)	22
Other comprehensive income/(loss) for the year, net of tax		**(22)**	**23**
Total comprehensive income/(loss) for the year, net of tax		**27,768**	**24,162**
Earnings per share (Nominal Value of share ₹ 10 each)			
Basic	35	15.025	13.051
Diluted	35	15.025	13.051

The accompanying notes form an integral part of these financial statements

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm registration number: 117366W/ W-100018

Vijay Agarwal
Partner
Membership No: 094468

Place: New Delhi
Date: April 24, 2019

For and on behalf of the Board of Directors of Bharti Infratel Limited

Akhil Gupta
Chairman

D S Rawat
Managing Director & CEO

S. Balasubramanian
Chief Financial Officer

Samridhi Rodhe
Company Secretary

Statement of Changes in Equity

as at March 31, 2019

A. Equity Share Capital

Equity shares of ₹ 10 each issued, subscribed and fully paid	No of shares (in thousands)	(₹ millions)
As at April 1, 2017	**1,849,608**	**18,496**
As at March 31, 2018	**1,849,608**	**18,496**
As at April 1, 2018	**1,849,608**	**18,496**
As at March 31, 2019	**1,849,608**	**18,496**

B. Other Equity

(₹ millions)

Particulars	Reserves and Surplus					Other Comprehensive Income	Total Equity
	Securities Premium	Share Based Payment reserves	General Reserve	Capital Redemption Reserve	Retained Earnings		
As at April 1, 2017	**48,837**	**51**	**69,257**	**471**	**25,162**	**97**	**143,875**
Profit for the year	-	-	-	-	24,139	-	**24,139**
Other comprehensive income	-	-	-	-	-	23	**23**
Total comprehensive income	**-**	**-**	**-**	**-**	**24,139**	**23**	**24,162**
- Gross compensation for options forfeited/exercised during the year.	-	(24)	-	-	-	-	**(24)**
- Amount transferred to statement of profit and loss during the year in accordance with the Scheme of arrangement with Bharti Airtel Limited	-	-	(393)	-	-	-	**(393)**
- Amount transferred to stock options outstanding during the vesting period	-	49	-	-	-	-	**49**
- Premium on exercise of ESOP's	-	-	(7)	-	-	-	**(7)**
- Final dividend on equity shares	-	-	-	-	(7,398)	-	**(7,398)**
- Tax on final dividend on equity shares	-	-	(1,506)	-	-	-	**(1,506)**
As at March 31, 2018	**48,837**	**76**	**67,351**	**471**	**41,903**	**120**	**158,758**
As at April 1, 2018	**48,837**	**76**	**67,351**	**471**	**41,903**	**120**	**158,758**
Profit for the year	-	-	-	-	27,790	-	**27,790**
Other comprehensive income	-	-	-	-	-	(22)	**(22)**
Total comprehensive income	**-**	**-**	**-**	**-**	**27,790**	**(22)**	**27,768**

Statement of Changes in Equity

as at March 31, 2019

B. Other Equity (contd..)

(₹ millions)

Particulars	Reserves and Surplus					Other Comprehensive Income	Total Equity
	Securities Premium	Share Based Payment reserves	General Reserve	Capital Redemption Reserve	Retained Earnings		
- Gross compensation for options forfeited/exercised during the year.	-	(34)	-	-	-	-	**(34)**
- Amount transferred to statement of profit and loss during the year in accordance with the Scheme of arrangement with Bharti Airtel Limited	-	-	(419)	-	-	-	**(419)**
- Amount transferred to stock options outstanding during the vesting period	-	26	-	-	-	-	**26**
- Premium on exercise of ESOP's *	-	-	(8)	-	-	-	**(8)**
- Dividends on equity shares	-	-	-	-	(39,767)	-	**(39,767)**
- Tax on dividends on equity shares	-	-	(8,177)	-	-	-	**(8,177)**
As at March 31, 2019	**48,837**	**68**	**58,747**	**471**	**29,926**	**98**	**138,147**

* Represents the cost of purchase price in excess of fair value of grant recognised w.r.t shares vested during this period (net of forfeiture)

The accompanying notes form an integral part of these financial statements

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm registration number: 117366W/ W-100018

Vijay Agarwal
Partner
Membership No: 094468

Place: New Delhi
Date: April 24, 2019

For and on behalf of the Board of Directors of Bharti Infratel Limited

Akhil Gupta
Chairman

D S Rawat
Managing Director & CEO

S. Balasubramanian
Chief Financial Officer

Samridhi Rodhe
Company Secretary

Statement of Cash Flows

for the year ended March 31, 2019

(₹ millions)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Cash flows from operating activities		
Profit before taxation	36,651	32,270
Adjustments for -		
Depreciation and amortization expense	10,637	11,796
Finance income	(4,406)	(2,172)
Finance costs	501	450
Dividend income	(11,261)	(10,010)
(Gain) on disposal of property, plant & equipment	(530)	(626)
Provision for doubtful trade receivables	(946)	(88)
Exceptional items	-	260
Others	445	(249)
Operating profit before changes in assets and liabilities	**31,091**	**31,631**
Changes in other long term financial assets	(70)	(78)
Changes in other non current assets	(9)	6
Changes in trade receivables	(2,531)	83
Changes in other current assets	30	1,007
Changes in other financial assets	178	(1,148)
Changes in other financial liabilities	159	14
Changes in other long term financial liabilities	(477)	(111)
Changes in long term provisions	31	22
Changes in other non current liabilities	(104)	243
Changes in trade payables	(62)	(167)
Changes in other current liabilities	297	1,284
Changes in short term provisions	(3)	9
Cash generated from operations	**28,531**	**32,795**
Income tax paid (net of refunds)	(8,108)	(8,086)
Net cash flow from operating activities (A)	**20,423**	**24,709**
Cash flows from investing activities		
Purchase of property, plant & equipment	(9,484)	(10,627)
Proceeds from sale of property, plant & equipment	1,261	1,236
Investment in mutual funds	(74,953)	(73,602)
Investment in commercial paper and certificate of deposits	(3,898)	(234)
Investment in bonds	(800)	(1,012)
Investment in non convertible debenture	-	(1,000)
Proceeds from sale of mutual funds	96,277	23,256
Proceeds from sale of government securities	-	37,581

Statement of Cash Flows

for the year ended March 31, 2019

(₹ millions)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Redemption of certificate of deposits	2,000	1,482
Redemption of commercial paper	2,250	498
Proceeds from bank deposits (net)	10	(4)
Proceeds from sale of bonds	1,000	-
Proceeds from sale of non convertible debenture	1,000	-
Loan repaid by trust	15	14
Proceeds from exercise of stock options	6	6
Interest received	1,404	3,966
Dividend received	11,261	10,010
Loan given to subsidiary	(170)	(121)
Loan given to group companies	-	(6,100)
Repayment of loan to group companies	-	6,100
Net cash flow from /(used in) investing activities (B)	**27,179**	**(8,551)**
Cash flows from financing activities		
Interest income on loan	-	73
Proceeds from borrowings	4,000	3,250
Repayment of borrowings	(4,000)	(3,250)
Dividend paid	(39,767)	(29,593)
Tax on dividend paid	(8,177)	(6,025)
Interest - others	(18)	(17)
Net cash flow (used in) financing activities (C)	**(47,962)**	**(35,562)**
Net increase in cash and cash equivalents during the year (A+B+C)	**(360)**	**(19,404)**
Cash and cash equivalents at the beginning of the year	305	19,709
Cash and cash equivalents at the end of the year (refer note 13)	**(55)**	**305**

The accompanying notes form an integral part of these financial statements

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm registration number: 117366W/ W-100018

Vijay Agarwal
Partner
Membership No: 094468

Place: New Delhi
Date: April 24, 2019

For and on behalf of the Board of Directors of Bharti Infratel Limited

Akhil Gupta
Chairman

D S Rawat
Managing Director & CEO

S. Balasubramanian
Chief Financial Officer

Samridhi Rodhe
Company Secretary

Notes to Standalone Financial Statements

for the year ended March 31, 2019

1. Corporate Information

Bharti Infratel Limited ('the Company' or 'BIL') was incorporated on November 30, 2006 with the object of, inter-alia, setting up, operating and maintaining wireless communication towers. The Company received the certificate of commencement of business on April 10, 2007 from the Registrar of Companies. The Registered office of the Company is situated at 901, Park Centra, Sector-30 NH-8, Gurugram Haryana-122001.

Bharti Infratel Limited is a subsidiary of Bharti Airtel Limited ('BAL') and BAL holds 33.57% shares in the Company. Nettle Infrastructure Investments Limited, Wholly owned Subsidiary of BAL also holds 19.94% shares in the Company as on March 31, 2019.

The Company is publicly traded on National Stock Exchange of India (NSE) and BSE Limited.

The Company had entered into a joint venture agreement with Vodafone Group and Aditya Birla Telecom Limited (now merged with Vodafone Idea Limited (formerly known as Idea Cellular Limited)) to provide passive infrastructure services in 15 Telecom circles of India and formed Indus Towers Limited for such purpose which is a Company incorporated in India. The Company and Vodafone Group are holding 42% each in Indus Towers Limited, 11.15% is held by Vodafone Idea Limited and 4.85% is held by P5 Asia Holding Investments (Mauritius) Limited.

During the year ended March 31, 2019, Bharti Infratel Limited and Indus Towers Limited and their respective shareholders and creditors have entered into a proposed scheme of amalgamation and arrangement (under section 230 to 232 and other applicable provisions of the Companies Act, 2013) ('Scheme') to create a pan-India tower company operating across all 22 telecom service areas. The combined company, which will fully own the respective businesses of Bharti Infratel and Indus Towers, will change its name to Indus Towers Limited and will continue to be listed on the Indian Stock Exchanges. The scheme will be accounted for on receipt of regulatory and other approvals. The Scheme has received approval from Competition Commission of India and No Objection from the Securities Exchange Board of India through BSE Limited and National Stock Exchange of India Limited. The approval from National Company Law Tribunal (NCLT) and Department of Telecommunications for FDI approval is awaited. The Scheme has been approved by the shareholders and creditors of the Company by requisite majority on February 2, 2019. The second motion petition filed with NCLT has been admitted. The matter is listed for hearing before the NCLT on May 14, 2019.

A wholly owned subsidiary, Smartx Services Limited, was incorporated on September 21, 2015 with the object of transmission through Optic Fibre Cables and setting up Wi-Fi hotspots for providing services to telecom operators and others on sharing basis.

The financial statements are approved for issuance by the Company's Board of Directors on April 24, 2019

2. Basis of Preparation

The Standalone financial statements ("financial statements") have been prepared to comply in all material aspects with the Indian Accounting Standard (Ind AS) notified under section 133 of the Companies Act, 2013, read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and as amended by the Ministry of Corporate Affairs ('MCA') from time to time.

The financial statements have been prepared under historical cost convention on accrual and going concern basis, except for the certain financial instruments which have been measured at fair value as required by relevant Ind ASs.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

All the amounts included in the financial statements are reported in millions of Indian Rupees ('Rupees' or '₹'), and are rounded to the nearest millions (Mn) except per share data and unless stated otherwise.

3. Significant Accounting Policies

a) Property, Plant and Equipment

Property, plant and equipment including Capital work in progress is stated at cost, except assets acquired under Schemes of Arrangement, which are stated at fair values as per the Schemes, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the Property, plant and equipment and borrowing costs for long term construction projects if the recognition criteria are met. When significant parts of property,

Notes to Standalone Financial Statements

for the year ended March 31, 2019

plant and equipment are required to be replaced in intervals, the Company recognizes such parts as separate component of assets with specific useful lives and provides depreciation over their useful life. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred.

The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Refer note 4 regarding significant accounting judgements, estimates and assumptions and provisions for further information about the recorded decommissioning provision.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

Assets are depreciated to the residual values on a straight-line basis over the estimated useful lives. Estimated useful lives of the assets are as follows:

	Useful lives
Office Equipment	2 years / 5 years
Computer	3 years
Vehicles	5 years
Furniture and Fixtures	5 years
Plant & Machinery	3 to 20 Years
Leasehold Improvement	Period of Lease or useful life, whichever is less

The existing useful lives of tangible assets are different from the useful lives as prescribed under Part C of Schedule II to the Companies Act, 2013 and the Company believes that this is the best estimate on the basis of technical evaluation and actual usage period.

The existing residual values of tangible assets are different from 5% as prescribed under Part C of Schedule II to the Companies Act, 2013 and the Company believes that this is the best estimate on the basis of actual realization.

The assets' residual values and useful lives are reviewed at each financial year end or whenever there are indicators for impairment, and adjusted prospectively.

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment (including assets acquired under Schemes of Arrangement) except with an adjustment in decommissioning cost recognised as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the cost of the property, plant and equipment.

b) Intangible Assets

Intangible assets are recognized when the entity controls the asset, it is probable that future economic benefits attributed to the asset will flow to the entity and the cost of the asset can be reliably measured.

At initial recognition, the separately acquired intangible assets are recognised at cost. Intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

Software is capitalized at the amounts paid to acquire the respective license for use and is amortised over the period of license, generally not exceeding three years.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net

Notes to Standalone Financial Statements

for the year ended March 31, 2019

disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

c) **Impairment of Non-Financial Assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. Impairment losses, if any, are recognized in Statement of Profit and Loss as a component of depreciation and amortisation expense.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited to the extent the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognized in the Statement of Profit and Loss when the asset is carried at the revalued amount, in which case the reverse is treated as a revaluation increase.

d) **Current Versus Non-Current Classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

e) **Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of an arrangement at inception date: whether fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Company as a Lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve

Notes to Standalone Financial Statements

for the year ended March 31, 2019

a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's policy on the borrowing costs.

Leased assets are depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognized as an expense on a straight-line basis over the lease term and escalation in the contract, which are structured to compensate expected general inflationary increase are not straight-lined. Contingent rents are recognized as expense in the period in Statement of Profit and Loss in which they are incurred.

Company as a Lessor

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Leases where the Company does not transfer substantially all the risks and rewards incidental to ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income.

Lease rentals under operating leases are recognized as income on a straight-line basis over the lease term and escalation in the contract, which are structured to compensate expected general inflationary increase are not straight lined. Contingent rents are recognized as revenue in the period in which they are earned.

f) Share-Based Payments

The Company issues equity-settled and cash-settled share-based options to certain employees. These are measured at fair value on the date of grant.

The fair value determined at the grant date of the equity-settled share-based options is expensed over the vesting period, based on the Company's estimate of the shares that will eventually vest.

The fair value determined on the grant date of the cash settled share based options is expensed over the vesting period, based on the Company's estimate of the shares that will eventually vest. At the end of each reporting period, until the liability is settled, and at the date of settlement, the fair value of the liability is recognized, with any changes in fair value pertaining to the vested period recognized immediately in the Statement of Profit and Loss.

At the vesting date, the Company's estimate of the shares expected to vest is revised to equal the number of equity shares that ultimately vest.

Fair value is measured using Black-Scholes framework and is recognized as an expense, together with a corresponding increase in equity/ liability as appropriate, over the period in which the options vest using the graded vesting method. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioral considerations. The expected volatility and forfeiture assumptions are based on historical information.

Where the terms of a share-based payments are modified, the minimum expense recognized is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it is vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options if any, is reflected as additional share dilution in the computation of diluted earnings per share.

Notes to Standalone Financial Statements

for the year ended March 31, 2019

g) Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the Statement of Cash Flows.

h) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial Recognition and Measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through Profit or Loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt Instruments at Amortised Cost

This category applies to the Company's trade receivables, unbilled revenue, security deposits etc.

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

Debt Instrument at Fair Value through Other Comprehensive Income (FVTOCI)

A 'debt instrument' is classified at FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss.

Interest earned whilst holding FVTOCI debt instrument is reported as interest income.

The Company has classified investment in tax free bonds and Investment in commercial paper and certificate of deposits within this category.

Debt Instrument at Fair Value Through Profit or Loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization at amortized cost or at FVTOCI, is classified at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss. This category applies to the Company's investment in government securities, mutual funds, taxable bonds and non convertible debentures.

Notes to Standalone Financial Statements

for the year ended March 31, 2019

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument at FVTPL.

Equity Investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination, if any to which Ind AS 103 applies are classified as at fair value through Profit or loss. Further, there are no such equity investments measured at fair value through profit or loss or fair value through other comprehensive income in the company.

De-recognition:- A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

a) The contractual rights to receive cash flows from the asset have expired, or

b) The Company has transferred its contractual rights to receive cash flows from the financial asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of Financial Assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the Financial assets that are debt instruments and are initially measured at fair value with subsequent measurement at amortised cost e.g Trade receivables, unbilled revenue etc.

The Company follows 'simplified approach' for recognition of impairment loss allowance for trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in the subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on a twelve month ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

Financial Liabilities

Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, security deposits, etc.

Subsequent Measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial Liabilities at Fair Value Through Profit or Loss (FVTPL)

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial

Notes to Standalone Financial Statements

for the year ended March 31, 2019

date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit or Loss.

Financial Liabilities at Amortised Cost

This category includes security deposit received, trade payables etc After initial recognition, such liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

De-Recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Reclassification of Financial Assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations.

If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

i) Revenue Recognition

The Company earns revenue primarily from rental services by leasing of passive infrastructure and energy revenue by the provision of energy for operation of sites.

Effective April 1, 2018, the Company has applied Ind AS 115 "Revenue from Contracts with Customers" which establishes a comprehensive framework to depict timing and amount of revenue to be recognised. The Company has adopted Ind AS 115 using cumulative effect method, where any effect arising upon application of this standard is recognised as at the date of initial application (i.e April 1, 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the interim statement of profit and loss is not restated - i.e. the comparative information continues to be reported under previous standards on revenue i.e Ind AS 18 and Ind AS 11. There was no impact on adoption of Ind AS 115 to the financial statements of the Company.

Revenue is recognized when the Company satisfies the performance obligation by transferring the promised services to the customers. Services are considered performed when the customer obtains control, whereby the customer gets the ability to direct the use of such services and substantially obtains all benefits from the services. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.

In order to determine, if it is acting as principal or as an agent, the entity shall determine whether the nature of its promise is a performance obligation to provide the specified services itself (i.e. the entity is a principal) or to arrange for those services to

Notes to Standalone Financial Statements

for the year ended March 31, 2019

be provided by the other party (i.e. the entity is an agent) for all its revenue arrangements.

Service Revenue

Service revenue includes rental revenue for use of sites and energy revenue for the provision of energy for operation of sites.

Rental revenue is recognized as and when services are rendered on a monthly basis as per the contractual terms prescribed under master service agreement entered with customer. The Company has ascertained that the lease payment received are structured to increase in line with expected general inflationary increase in cost and therefore not straight lined.

Exit Charges is recognised when uncertainty relating to the amounts receivable on exit is resolved and it is probable that a significant reversal relating to the amounts receivable on exit will not occur .

Energy revenue is recognized over the period on a monthly basis upon satisfaction of performance obligation as per contracts with the customers. The transaction price is the consideration received from customers based on prices agreed as per the contract with the customers. The determination of standalone selling prices is not required as the transaction prices are stated in the contract based on the identified performance obligation.

Unbilled revenue represents revenues recognized after the last invoice raised to customer to the period end. These are billed in subsequent periods based on the prices specified in the master service agreement with the customers, whereas invoicing in excess of revenues are classified as unearned revenues. The Company collects GST on behalf of the government and therefore, it is not an economic benefit flowing to the Company, hence it is excluded from revenue.

Use of Significant Judgements in Revenue Recognition

The Company's contracts with customers include promises to transfer services to a customer which are energy and rentals. Rentals are not covered within the scope of Ind AS 115, hence identification of distinct performance obligation within Ind AS 115 do not involve significant judgement.

Judgement is required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as discounts, service level credits, waivers etc. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

In evaluating whether a significant revenue reversal will not occur, the Company considers the likelihood and magnitude of the revenue reversal and evaluates factors which results in constraints such as historical experience of the Company with a particular type of contract, and the regulatory environment in which the customers operates which results in uncertainty which is less likely to be resolved in near future.

The Company provides volume discount to its customers based on slab defined in the revenue contracts. Contract also contains clause on Service Level Penalty/ rewards in case the Company is not able to maintain uptime level mentioned in the agreement. These discount/penalties are called variable consideration.

There is no additional impact of variable consideration as per Ind AS 115 since maximum discount is already being given to customer and the same is deducted from revenue.

There is no additional impact of SLA penalty as the Company already estimates SLA penalty amount and the same is provided for at each month end. The SLA penalty is presented as net off with revenue in the Statement of profit and loss.

Exit charges are recognised in the Statement of Profit and loss when the amounts due are collected and there is no uncertainty relating to discounts and waivers.

Determination of standalone selling price do not involve significant judgement for the Company. The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers the indicators on how customer consumes benefits as services are rendered in making the evaluation. Contract fulfillment costs are generally expensed as incurred. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

Notes to Standalone Financial Statements

for the year ended March 31, 2019

Dividend Income

Dividend Income is recognized when the right to receive payment is established, which is generally on the date when shareholders approve the dividend in case of final dividend and approval by Board of Directors in case of interim dividend.

j) Finance Income

Finance income comprises interest income on funds invested and changes in the fair value of financial assets at fair value through profit or loss, and that are recognised in Statement of Profit and Loss. Interest income is recognised as it accrues in Statement of Profit and Loss, using the effective interest rate (EIR) which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

Finance income does not include dividend income, interest on income tax refund etc. which is included in other income.

k) Taxes

The income tax expense comprises of current and deferred income tax. Income tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised in the other comprehensive income or directly in equity, in which case the related income tax is also recognised accordingly.

Current Tax

The current tax is calculated on the basis of the tax rates, laws and regulations, which have been enacted or substantively enacted as at the reporting date. The payment made in excess / (shortfall) of the Company's income tax obligation for the period are recognised in the balance sheet as current income tax assets / liabilities. Any interest, related to accrued liabilities for potential tax assessments are not included in Income tax charge or (credit), but are rather recognised within finance costs. The management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax

Deferred tax is recognised, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. However, deferred tax is not recognised if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. The unrecognised deferred tax assets / carrying amount of deferred tax assets are reviewed at each reporting date for recoverability and adjusted appropriately.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets and liabilities are off-set against each other and the resultant net amount is presented in the balance sheet, if and only when, (a) the Company currently has a legally enforceable right to set-off the current income tax assets and liabilities, and (b) when it relates to income tax levied by the same taxation authority.

l) Dividend Payments

Final dividend is recognized, when it is approved by the shareholders and the distribution is no longer at the discretion of the Company. However, Interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

m) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

n) Retirement and Other Employee Benefits

Short term employee benefits are recognised in the period during which the services have been rendered.

Notes to Standalone Financial Statements

for the year ended March 31, 2019

The Company post employment benefits include defined benefit plan and defined contribution plans. The Company also provides other benefits in the form of deferred compensation and compensated absences.

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a statutory authority and will have no legal or constructive obligation to pay further amounts. The Company contributions to defined contribution plans are recognized in Statement of Profit & Loss when the related services are rendered. The Company has no further obligations under these plans beyond its periodic contributions.

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Under the defined benefit retirement plan, the Company provides retirement obligation in the form of Gratuity. Under the plan, a lump sum payment is made to eligible employees at retirement or termination of employment based on respective employee salary and years of experience with the Company.

The cost of providing benefits under this plan is determined on the basis of actuarial valuation carried out quarterly as at the reporting date by an independent qualified actuary using the projected unit credit method. Actuarial gains and losses are recognised in full in the period in which they occur in other comprehensive income forming part of Statement of Profit and Loss.

The obligation towards the said benefit is recognised in the balance sheet as the difference between the fair value of the plan assets and the present value of the plan liabilities. Scheme liabilities are calculated using the projected unit credit method and applying the principal actuarial assumptions as at the date of Balance Sheet. Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies.

All expenses excluding remeasurements of the net defined benefit liability (asset), in respect of defined benefit plans are recognized in the profit or loss as incurred. Remeasurements, comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability (asset)), are recognized immediately in the Balance Sheet with a corresponding debit or credit through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

The Company provides other benefits in the form of compensated absences and long term service awards. The employees of the Company are entitled to compensated absences based on the unavailed leave balance. The Company records liability based on actuarial valuation computed under projected unit credit method. Actuarial gains / losses are immediately taken to the Statement of Profit and Loss and are not deferred. The Company presents the entire leave encashment liability as a current liability in the balance sheet, since the Company does not have an unconditional right to defer its settlement for more than 12 months after the reporting date.

Under the long term service award plan, a lump sum payment is made to an employee on completion of specified years of service. The Company records the liability based on actuarial valuation computed under projected unit credit method. Actuarial gains / losses are immediately taken to the Statement of Profit and Loss and are not deferred. The amount charged to the Statement of Profit and Loss in respect of these plans is included within operating costs.

o) Provisions

(i) General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss, net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time (i.e. unwinding of discount) is recognised as a finance cost.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

Notes to Standalone Financial Statements

for the year ended March 31, 2019

(ii) Contingent Assets/ Liabilities

Contingent assets are not recognised. However, when realisation of income is virtually certain, then the related asset is no longer a contingent asset, and is recognised as an asset.

Contingent liabilities are disclosed in notes to accounts when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

(iii) Asset Retirement Obligations

Asset retirement obligations (ARO) are provided for those operating lease arrangements where the Company has a binding obligation at the end of the lease period to restore the leased premises in a condition similar to inception of lease.

ARO are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the site restoration obligation. The unwinding of the discount is expensed as incurred and recognized in the Statement of Profit and Loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

p) Earnings Per Share (EPS)

Basic EPS is calculated by dividing the profit for the period attributable to ordinary equity shareholders of the Company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to ordinary equity shareholders of the Company by the weighted average number of Equity shares outstanding during the period plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

q) Fair Value Measurement

The Company measures financial instruments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

I. **Level 1**- Quoted prices (unadjusted) in active markets for identical assets or liabilities.

II. **Level 2**- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

III. **Level 3** - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

Notes to Standalone Financial Statements

for the year ended March 31, 2019

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value measurement. Other fair value related disclosures are given in the relevant notes.

r) Foreign Currency

Functional and Presentation Currency

The Company's financial statements are presented in INR, which is also the Company's functional currency. Presentation currency is the currency in which the company's financial statements are presented. Functional currency is the currency of the primary economic environment in which an entity operates and is normally the currency in which the entity primarily generates and expends cash. All the financial information presented in Indian Rupees (INR) has been rounded to the nearest of million rupees, except where otherwise stated.

Transactions and Balances

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in Statement of Profit or Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

4. Significant Accounting Judgements, Estimates and Assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

a) Operating Lease Commitments – Company as Lessor

The Company has assessed that its master service agreement ("MSA") with operators contains lease of its tower sites and plant and equipment and has determined, based on evaluation of the terms and conditions of the arrangements such as various lessees sharing the same tower sites with specific area, the fair value of the asset and all the significant risks and rewards of ownership of these properties retained by the Company, that such contracts are in the nature of operating lease and has accounted for as such.

The Company has ascertained that the annual escalations in the lease payment received under the MSA are structured to compensate the expected inflationary increase in cost and therefore has not been straight-lined.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company

Notes to Standalone Financial Statements

for the year ended March 31, 2019

has based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

b) Impairment of Non-Financial Assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit ('CGU') is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets ('CGU').

The Company's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognized, if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount and are recognised in Statement of Profit and Loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of goodwill, if any, allocated to the units and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Such reversal is recognised in the statement of profit and loss except when the asset is carried at revalued amount, the reversal is treated as a revaluation increase.

c) Property, Plant and Equipment

Refer Note 3(a) for the estimated useful life of Property, plant and equipment.

Property, plant and equipment also represent a significant proportion of the asset base of the Company. Therefore, the estimates and assumptions made to determine their carrying value and related depreciation are critical to the Company's financial position and performance.

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Increasing an asset's expected life or its residual value would result in a reduced depreciation charge in the Statement of Profit and Loss.

The useful lives and residual values of Company assets are determined by management at the time the asset is acquired and reviewed periodically. The lives are based on historical experience with similar assets as well as anticipation of future events which may impact their life, such as changes in technology.

During the financial year 2014-15, the Company had re-assessed the useful life and residual value of all its assets, accordingly, effective April 1, 2014, it has revised the useful life of certain class of shelters from 15 years to 10 years and revised the residual value of certain plant and machineries (batteries and DG sets) from Nil and 5% to 25% and 10%, respectively.

Further, with effect from April 1, 2018, the Company has reassessed the residual value of batteries and Diesel generators from 25% to 35% and from 10% to 20% respectively.

Set out below is impact of such change on future period depreciation:-

(₹ millions)

Particulars	Year ended March 31, 2019	After March 31, 2018
Decrease in Depreciation	1,327	2,666

d) Allowance of Doubtful Trade Receivable

The expected credit loss is mainly based on the ageing of the receivable balances and historical experience. Based on the industry practices and the business environment in which the entity operates, management considers that the trade receivables are provided if the payment are more than 90 days past due. The receivables are assessed on an individual basis or grouped into homogeneous groups and assessed for impairment collectively, depending on their significance. Moreover, trade receivables are written off on a case-to-case basis if deemed not to be collectible on the assessment of the underlying facts and circumstances.

e) Asset Retirement Obligation

The Company uses various leased premises to install its tower assets. A provision is recognised for the cost to be incurred for the restoration of these premises at the end of the lease period, which is estimated based on actual quotes, which are reasonable and appropriate under these circumstances. It is expected that these provisions will be utilised at the end of the lease period of the respective sites as per respective lease agreements.

f) Share Based Payment

The Company initially measures the cost of cash-settled transactions with employees using a binomial model to determine the fair value of the liability incurred. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. For cash-settled share-based payment transactions, the liability needs to be remeasured at the end of each reporting period up to the date of settlement, with any changes in fair value recognised in the profit or loss. This requires a reassessment of the estimates used at the end of each reporting period.

5. Recent Accounting Pronouncement Issued but Not Yet Effective Upto the Date of Issuance of Financial Statements

a) Ind AS 116, Leases

Ind AS 116 – 'Leases' was notified on 30th March 2019, which is applicable for the accounting period beginning from 1st April 2019. For lessees, the standard eliminates the classification of leases as either operating or finance, as required by Ind AS 17, and instead introduces a single lease accounting model. Applying that model a lessee is required to recognize, (a) assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value and (b) depreciation of leased assets separately from interest on lease liabilities in the income statement. Lessor Accounting under Ind AS 116 will not be having any transitional impact on initial recognition. Under Ind AS 17, the company was charging lease rental in statement of Profit and loss, which would be charged as depreciation and finance cost under Ind AS 116, having a favourable impact on EBITDA.

A lessor shall recognise lease payments from leases as income on either straight-line or another systematic basis. The standard permits two possible methods of transition:

- Full retrospective - Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.
- Modified retrospective - Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability at the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either at:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

The company is in the process of evaluating the impact of transitioning from old standard i.e Ind AS 17 to new standard i.e Ind AS 116 and the transition approach.

b) **Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments**

This Appendix clarifies how to apply the recognition and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments. In such a circumstance, an entity shall recognise and measure its current or deferred tax asset or liability applying the requirements in Ind AS 12 based on taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined applying this Appendix. There is no impact on the company due to notification of this Appendix.

c) **Amendment to Ind AS 12- Income Taxes**

On March 30, 2019, the amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

The amendment is effective from annual period beginning from April 1, 2019. There Company is currently evaluating the effect of this amendment.

d) **Amendment to Ind AS 19- Employee Benefits**

On March 30, 2019, the amendments to Ind AS 19, in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity, to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

Notes to Financial Statements

for the year ended March 31, 2019

6. Property, Plant & Equipment & Intangible Asset

(₹ millions)

Particulars	Land	Plant and equipment	Office furniture and equipment	Vehicles	Computers	Leasehold improvements	Tangible assets Total	Computer Software	Intangible asset Total
Cost or valuation									
As at April 1, 2017	**2**	**134,034**	**218**	**8**	**884**	**322**	**135,468**	**505**	**505**
Additions	-	10,721	13	-	37	19	10,790	20	20
Disposals/Adjustment	-	(4,063)	(4)	(2)	-	-	(4,069)	-	-
As at March 31, 2018	**2**	**140,692**	**227**	**6**	**921**	**341**	**142,189**	**525**	**525**
Additions	-	8,927	10	1	35	11	8,984	11	11
Disposals/Adjustment	-	(3,706)	(3)	-	(6)	(2)	(3,717)	-	-
As at March 31, 2019	**2**	**145,913**	**234**	**7**	**950**	**350**	**147,456**	**536**	**536**
Accumulated Depreciation/ Amortisation									
As at April 1, 2017	**-**	**76,494**	**187**	**6**	**741**	**229**	**77,657**	**402**	**402**
Charge for the period	-	12,019	17	-	79	22	12,137	46	46
Disposals/Adjustment	-	(3,413)	(4)	(2)	-	-	(3,419)	-	-
As at March 31, 2018	**-**	**85,100**	**200**	**4**	**820**	**251**	**86,375**	**448**	**448**
Charge for the period	-	10,893	13	1	71	23	11,001	42	42
Disposals/Adjustment	-	(3,117)	(3)	-	(1)	(2)	(3,123)	-	-
As at March 31, 2019	**-**	**92,876**	**210**	**5**	**890**	**272**	**94,253**	**490**	**490**
Net block									
As at March 31, 2018	**2**	**55,592**	**27**	**2**	**101**	**90**	**55,814**	**77**	**77**
As at March 31, 2019	**2**	**53,037**	**24**	**2**	**60**	**78**	**53,203**	**46**	**46**

(i) "Plant and equipment" comprise of assets given on operating lease.
(ii) Depreciation charge for the year includes ₹ 382 Mn (FY 2017 - 18 - ₹ 671 Mn) being the amount provided for asset obsolescence/impairment with respect to assets not in active use.
(iii) Disposal/adjustment includes cost and accumulated depreciation for assets sold and the assets for which insurance claims are made by the Company.
(iv) Net book value of computers of ₹ 23 Mn (March 31, 2018: ₹ 68 Mn) are under finance lease.

Notes to Standalone Financial Statements

for the year ended March 31, 2019

7. Investment in Joint Venture

(₹ millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Unquoted, at cost		
Indus towers Limited: 500,504 (March 31, 2018- 500,504) equity shares of ₹ 1 each fully paid up	60,419	60,419
	60,419	**60,419**

8. Investment

a) Non Current Investment

(₹ millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Investment in subsidiary (Unquoted) at cost		
Smartx Services Limited: 3,000,000 (March 31, 2018- 3,000,000) equity shares of ₹ 10 each fully paid up	30	30
Investments carried at fair value through profit or loss		
Mutual funds (quoted)	16,007	334
Government securities (quoted)	293	290
Investments carried at fair value through other comprehensive income		
Bonds (quoted)	2,124	2,153
	18,454	**2,807**

b) Current Investment

(₹ millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Investments carried at fair value through profit or loss		
Mutual funds (quoted)	16,823	51,038
Bond (quoted)	801	1,001
Non convertible debentures (quoted)	-	997
Government securities (quoted)	11,925	11,798
Investments carried at fair value through other comprehensive income		
Commercial paper (quoted)	-	239
	29,549	**65,073**
Aggregate value of unquoted Investments (cost)	30	30
Aggregate value of quoted Investments (cost)	46,622	67,580
Aggregate market value of quoted Investments	47,973	67,850

Notes to Standalone Financial Statements

for the year ended March 31, 2019

Non Current Investments

Details of Investments in Mutual Funds are Provided Below:

(₹ millions)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Unit No.	Amount	Unit No.	Amount
BOI AXA Corporate Credit Spectrum Fund - Regular Plan	-	-	25,000,000	334
L& T Liquid - Growth	784,834	2,004	-	-
UTI - Liquid Cash Plan - Institutional Growth	404,787	1,235	-	-
Axis Liquid Fund - Growth (CFGPG)	2,173,652	4,489	-	-
Baroda Pioneer Liquid Fund - Plan A - Growth	1,513,826	3,238	-	-
DSP BlackRock Liquidity Fund - IP - Growth	1,138,181	3,026	-	-
Tata money market fund regular plan-Growth	687,670	2,015	-	-
	6,702,950	**16,007**	**25,000,000**	**334**

Details of Investments in Government Securities are Provided Below:

(₹ millions)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Units	Amount	Units	Amount
6.97% Govt Stock 2026	3,000,000	293	3,000,000	290
	3,000,000	**293**	**3,000,000**	**290**

Details of Investments in Bonds are Provided Below:

(₹ millions)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Units	Amount	Units	Amount
National Highway Authority of India	500	524	500	540
NTPC Limited	300	314	300	320
Housing and Urban Development Corporation Limited	200,000	222	200,000	227
Indian Railway Finance Corporation Limited	1,000	1,064	1,000	1,066
	201,800	**2,124**	**201,800**	**2,153**

Notes to Standalone Financial Statements

for the year ended March 31, 2019

Current Investments

Details of Investments in Mutual Funds are Provided Below:

(₹ millions)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Units	Amount	Units	Amount
L& T Liquid - Growth	-	-	1,323,618	3,145
UTI - Liquid Cash Plan - Institutional Growth	-	-	141,432	401
JM High Liquidity Fund - Growth Option	3,332,222	170	10,679,744	506
Axis Liquid Fund - Growth	-	-	2,702,957	5,192
Birla Sun Life Floating rate fund short term plan-Growth	2,995,937	750	5,213,799	1,205
Tata Liquid Fund Regular plan- Growth	-	-	65,041	208
ICICI Prudential Liquid Plan- Growth	8,616,678	2,373	16,090,248	4,125
Baroda Pioneer Liquid Fund - Plan A - Growth	-	-	1,722,777	3,427
Birla Sun Life Cash Plus - Regular - Growth	922,495	276	15,314,618	4,261
DSP BlackRock Liquidity Fund - IP - Growth	-	-	943,747	2,335
Kotak Liquid Scheme Plan A - Growth	-	-	104,454	367
Reliance Liquid Fund - Treasury Plan - Growth	-	-	458,135	1,934
SBI Magnum Insta Cash - Growth	-	-	262,794	1,006
UTI-Money Market Fund -Institutional Plan - Growth	915,970	1,922	2,028,686	3,935
Invesco India Liquid Fund - Growth	931,426	2,386	1,522,476	3,629
IDFC Cash Fund - Regular - Growth	-	-	1,028,673	2,164
Reliance Quarterly Interval Fund - Series II - Growth Plan	-	-	42,323,385	1,010
Tata money market fund regular plan-Growth	-	-	992,823	2,707
DHFL Pramerica Insta Cash Plus Fund - Growth	-	-	14,494,770	3,261
Reliance Fixed Horizon Fund	-	-	60,000,000	605
HDFC liquid fund-Regular Plan-Growth	-	-	14,831	51
ICICI prudential fixed maturity plan	-	-	60,000,000	604
Kotak Floater Short Term- Growth (Regular Plan)	1,036,601	3,189	1,743,940	4,960
HSBC Cash Fund	1,817,400	3,373	-	-
Franklin India Liquid Fund	855,180	2,384	-	-
	21,423,909	**16,823**	**239,172,948**	**51,038**

Notes to Standalone Financial Statements
for the year ended March 31, 2019

Details of Investments in Bonds are Provided Below:

(₹ millions)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Units	Amount	Units	Amount
8.57% HDFC 2018	-	-	2,000	1,001
8.68% Indiabulls Housing Finance	800	801	-	-
	800	**801**	**2,000**	**1,001**

Details of Investments in Non Convertible Debentures are Provided Below:

(₹ millions)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Units	Amount	Units	Amount
Indiabulls Housing Limited	-	-	1,000	997
	-	**-**	**1,000**	**997**

Details of Investments in Government Securities are Provided Below:

(₹ millions)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Units	Amount	Units	Amount
7.68% Govt Stock 2023	98,000,000	10,089	98,000,000	9,947
8.27% Govt Stock 2020	18,000,000	1,836	18,000,000	1,851
	116,000,000	**11,925**	**116,000,000**	**11,798**

Details of Commercial Paper are Provided Below:

(₹ millions)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Units	Amount	Units	Amount
Bajaj Finance Limited	-	-	1,000	239
	-	**-**	**1,000**	**239**

Notes to Standalone Financial Statements
for the year ended March 31, 2019

9. Other financial assets

a) Non Current

(₹ millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Security deposit		
Unsecured, considered good	1,342	1,231
Unsecured, considered doubtful	294	288
Less :- Provisions	(294)	(288)
	1,342	**1,231**
Loans given- Unsecured Considered Good	291	121
Fixed deposits for more than one year	13	15
	1,646	**1,367**

"Security deposit" includes ₹ 3 Mn given to related parties (March 31, 2018- ₹ 3 Mn). For details, refer note 42.
The Company has granted an interest free unsecured loan to its wholly owned subsidiary company "Smartx Services Limited".

b) Current

(₹ millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Unbilled revenue	4,698	4,827
Interest accrued on Investments	448	520
Security Deposit	5	1
Claim Recoverable	64	58
Other Recoverable	1	60
	5,216	**5,466**

"Unbilled revenue" includes amount pertaining to related parties amounting to ₹ 2,984 Mn as at March 31, 2019 (March 31, 2018 - ₹ 2,880 Mn). Other recoverable includes ₹ Nil (March 31, 2018 -₹ 60 Mn) receivable from related parties. For details refer note 42.

10. Taxes

a) Income Tax Expense

The major components of income tax expense are:

i. Profit and Loss

(₹ millions)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Current tax	8,469	8,939
Deferred tax	392	(808)
Income tax expense	**8,861**	**8,131**

Notes to Standalone Financial Statements

for the year ended March 31, 2019

ii. Other Comprehensive Income

(₹ millions)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Deferred tax on re-measeurements of defined benefits plan*	(3)	-
Deferred tax on Fair Value changes of financial assets at FVTOCI	3	(3)
Income tax charged to other comprehensive income	**-**	**(3)**

*Amount for previous year is less than ₹ 1 Mn

b) Reconciliation of Effective Tax Rate:

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below

(₹ millions)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Net income before taxes	36,651	32,270
Enacted tax rate in India	34.944%	34.608%
Computed tax expense	**12,807**	**11,168**
Increase/(reduction) in taxes on account of:		
Tax effect on exempted income.	(3,986)	(3,515)
Tax effect of long-term MTM loss/(gain) on non-current investment	(11)	(62)
Tax effect of long term capital loss/(gain) on sale of non current investment	(19)	513
Others	70	27
Income tax expense recorded in the statement of profit and loss	**8,861**	**8,131**

The applicable Indian statutory tax rate for financial year 2018-19 is 34.944% and for financial year 2017-18 was 34.608%.

Notes to Standalone Financial Statements

for the year ended March 31, 2019

c) **Deferred Tax Assets/ (Liabilities)**

The components that gave rise to deferred tax assets and liabilities are as follows:

(₹ millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred tax liability in relation to:		
Property, plant and equipment and intangible asset (excluding ARO)	567	788
Investment carried at Fair value through profit or loss/ OCI	565	210
Security deposit received measured at amortised cost	94	110
Gain on disposal of subsidiary (refer note 44(b))	116	116
Total deferred Tax liabilities	**1,342**	**1,224**
Deferred Tax Assets in relation to:		
Asset retirement obligation	724	626
Investment carried at Fair value through profit or loss/ OCI	40	60
Short term capital loss carried forward	-	28
Long term capital loss carried forward	250	259
Security deposit paid measured at amortised cost	3	57
Provision for doubtful debts and advance	218	469
Provision for employee benefits	103	99
Employee Stock option plans	120	120
Others	34	48
Total deferred tax assets	**1,492**	**1,766**
Net deferred tax liabilities/(asset)	**(150)**	**(542)**

Deferred tax assets and deferred tax liabilities have been offset wherever the Company has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

Current tax expense includes tax reversal of ₹ 46 Mn (March 31, 2018 – tax reversal of ₹ 64 Mn) and deferred tax expense includes tax expense of ₹ 30 Mn (March 31, 2018 – tax expense of ₹ 53 Mn), respectively relating to earlier periods.

The reconciliation of Net Deferred Tax Liability/ (Asset) is Follows:

(₹ millions)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Opening balance	(542)	263
Tax expense during the year recognised in Statement of profit and loss	392	(805)
Closing balance	**(150)**	**(542)**

Notes to Standalone Financial Statements

for the year ended March 31, 2019

11. Other Non-Current Assets

(₹ millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Capital advances		
Unsecured, considered good	-	2
Unsecured, considered doubtful	19	18
Less: provision for capital advances	(19)	(18)
	-	**2**
Others		
Considered good	1,807	2,732
Considered doubtful	18	18
Less - provision	(18)	(18)
	1,807	**2,732**
Deferred lease - security deposit	30	36
	1,837	**2,770**

"Others" comprise of payments made under protest to the government authorities. For details, refer note 39(b).

12. Trade Receivables

(₹ millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Secured, considered good	-	-
Unsecured, considered good	5,791	4,050
Significant increase in credit risk	-	-
Credit Impaired	-	-
Less: Allowance for doubtful receivables	(337)	(1,305)
	5,454	**2,745**

Includes receivables from related parties amounting to ₹ 3,822 Mn (March 31, 2018 - ₹ 835 Mn), respectively. For details, refer note 42. Trade receivables are non-interest bearing and due after 15 days from the date of invoice.

13. Cash and Cash Equivalents

(₹ millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Balance with banks		
On current accounts	1	55
Deposits with original maturity of less than three months	1	250
Cheques on hand*	-	-
	2	**305**

* Amount is less than 1 Mn.

Notes to Standalone Financial Statements

for the year ended March 31, 2019

For the Purpose of Statement of Cash Flows, Cash and Cash Equivalents Comprise of Following:-

(₹ millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Cash and cash equivalents as per balance sheet	2	305
Bank Overdraft	(57)	-
	(55)	**305**

14. Other Bank Balances

(₹ millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Fixed deposits with original maturity less than twelve months	14	4
	14	**4**

15. Other Current Assets

(₹ millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Loans and advance to related parties (refer note 42) - Unsecured considered good	195	259
Advance to supplier	1,993	1,946
Other taxes recoverable	270	454
Prepaid expenses	193	95
Others	22	28
	2,673	**2,782**

"Advance to supplier" is net of provision of ₹ 73 Mn (March 31, 2018 - ₹ 69 Mn). "Other Taxes recoverable" is net of provision of ₹ 44 Mn (March 31, 2018 - ₹ 44 Mn)

16. Share Capital

a. **Equity Share Capital:**

(₹ millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Authorized Shares		
3,500,000,000 equity shares of ₹ 10 each (3,500,000,000 equity shares as at March 31, 2018)	35,000	35,000
Issued, subscribed and fully paid-up shares		
1,849,608,246 equity shares of ₹ 10 each fully paid-up (March 31, 2018-1,849,608,246 equity shares)	18,496	18,496
	18,496	**18,496**

Notes to Standalone Financial Statements

for the year ended March 31, 2019

b. Terms/ Rights Attached to Equity Shares:

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company in proportion to the number of equity shares held by the shareholders, after distribution of all preferential amounts.

The Board of Directors, in its meeting held on April 23, 2018, proposed a final dividend of ₹ 14 per equity share for FY 2017-18 and the same was approved by the shareholders at the ensuing Annual General Meeting.

The Board of Directors, in its meeting held on October 24, 2018 had approved an interim dividend of ₹7.50 per equity share for FY 2018-19.

c. Shares Held by Parent Company:

(₹ millions)

Particulars	As at March 31, 2019		As at March 31, 2018	
	No.	₹ Millions	No.	₹ Millions
Equity shares of ₹ 10 each fully paid				
Bharti Airtel Limited	620,898,728	6,209	930,898,728	9,309

d. Details of Shareholders Holding More than 5% Shares in the Company:

(₹ millions)

Particulars	As at March 31, 2019		As at March 31, 2018	
	No.	% holding	No.	% holding
Equity shares of ₹ 10 each fully paid				
Bharti Airtel Limited	620,898,728	33.57%	930,898,728	50.33%
Nettle Infrastructure Investments Limited	368,882,251	19.94%	58,882,251	3.18%
Silverview Portfolio Investments Pte. Ltd.	130,803,065	7.07%	130,803,065	7.07%
Total	**1,120,584,044**	**60.58%**	**1,120,584,044**	**60.58%**

e. Aggregate Number of Bonus Shares Issued and Shares Issued for Consideration other than Cash During the Period of Five Years Immediately Preceding the Reporting Date:

During the year ended March 31, 2013, the Company allotted 1,161,605,820 equity shares as fully paid bonus shares by capitalization of securities premium account.

During the year ended March 31, 2016, the Company allotted 2,897,776 equity shares (F.Y 2014-15, 2013-14 and 2012-13 - 4,468,180, 558,059 and 100,212 equity shares respectively) of ₹ 10 each to its employees on exercise of stock options under the Employee Stock Option Plan 2008 wherein part consideration was received in form of employee services. (refer note 37).

f. Aggregate Number and Class of Shares Bought Back During the Period of Five Years Immediately Preceding the Reporting Date:

During the year ended March 31, 2017, the Company brought back 47,058,824 equity shares of ₹ 10 each by way of tender offer through stock exchange mechanism for cash at price of ₹ 425 per equity share.

Notes to Standalone Financial Statements

for the year ended March 31, 2019

g. Shares Reserved for Issue Under Options:

For details of shares reserved for issue under the employee stock option plan (ESOP) of the Company, refer note 37.

17. Other Equity

(₹ millions)

Nature	As at March 31, 2019	As at March 31, 2018
Securities Premium	48,837	48,837
Share Based Payment reserves	68	76
General Reserve	58,747	67,351
Capital Redemption Reserve	471	471
Retained Earnings	29,926	41,903
Other Comprehensive Income	98	120
	138,147	**158,758**

a) Securities Premium

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

b) Share Based Payment reserves

This relates to share options granted by the Company to its employees under its employee share options plan.

c) General Reserve

General reserve was created out of Composite Scheme of arrangement with Bharti Airtel Limited.

d) Capital redemption reserve

Capital redemption reserve was created on buy back of shares. A company may issue fully paid up bonus shares to its members out of Capital redemption reserve account.

18. Other Financial Liabilities, Non-Current

(₹ millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Security deposits	2,430	2,523
	2,430	**2,523**

The above security deposit is the fair value of total security deposit at transaction value for ₹ 3,557 Mn as at March 31, 2019 (March 31, 2018 ₹ 4,010 Mn)

"Security deposits" includes transaction value of ₹ 2,056 Mn (March 31, 2018 - ₹ 2,031 Mn) towards amounts received from related parties. For details, refer note 42.

Notes to Standalone Financial Statements

for the year ended March 31, 2019

19. Provisions

a) Long Term Provisions

(₹ millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Asset retirement obligation (ARO)	2,538	2,322
Gratuity (refer note 36)	156	140
Long-term service award	29	22
	2,723	**2,484**

The Company uses various premises on lease to install plant and equipment. Provision is recognised for the costs to be incurred for the restoration of these premises at the end of the lease period. It is expected that this provision will be utilized at the end of the lease period of the respective sites as per the respective lease agreements. The movement of Provision in accordance with Ind AS 37 on 'Provisions, Contingent liabilities and Contingent Assets' is given below:

(₹ millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Opening Balance	2,322	2,102
Provision during the year	17	48
Unwinding of discount	199	172
Closing Balance	**2,538**	**2,322**

b) Short Term Provisions

(₹ millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Gratuity (refer note 36)	49	54
Leave encashment	91	89
	140	**143**

20. Other Non-Current Liabilities

(₹ millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred lease- security deposit	858	1,172
Unearned revenue	450	458
	1,308	**1,630**

Notes to Standalone Financial Statements
for the year ended March 31, 2019

21. Borrowings

(₹ millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Bank overdraft (unsecured)	57	-
	57	-

The Bank overdraft is repayable on demand and carries interest rate of 8.75% per annum.

22. Trade Payables

a) Trade Payable include ₹ 84 Mn (March 31, 2018 - ₹ 80 Mn) payable to Parent company, fellow subsidiary and Group Company. Further ₹ 74 Mn (March 31, 2018- ₹ 140 Mn) payable to related parties. For details, refer note 42.

b) Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

(₹ millions)

Particulars	As at March 31, 2019	As at March 31, 2018
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	26	22
Interest due on above	-	-
	26	22
The amount of interest paid by the buyer in terms of section 16 of the Micro Small and Medium Enterprise Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period/ year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	35	33
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	-	-

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by management. This has been relied upon by the auditors.

Notes to Standalone Financial Statements
for the year ended March 31, 2019

23. Other Financial Liabilities

(₹ millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Equipment supply payables	1,075	1,115
Payable to employees	234	233
Creditors for capital expenditure	704	1,131
Book Overdraft	158	-
	2,171	**2,479**

24. Other Current Liabilities

(₹ millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Accrued expenses	3,087	2,857
Other taxes payable	1,024	1,085
Unearned revenue	138	14
Liability for cash settled option (refer note 37)	10	11
Others	134	129
	4,393	**4,096**

25. Revenue from Operations

(₹ millions)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Sale of services		
Rent	39,844	40,720
Energy (Including recoveries for rates and taxes)	28,373	25,460
	68,217	**66,180**

26. Other Income

(₹ millions)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest income (Others)	213	369
Dividend income from joint venture	11,261	10,010
Profit on sale of property, plant and equipment	530	626
Miscellaneous income	272	56
	12,276	**11,061**

Notes to Standalone Financial Statements

for the year ended March 31, 2019

27. Power and Fuel

(₹ millions)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Network	25,223	22,791
Others	26	22
	25,249	**22,813**

28. Rent

(₹ millions)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Network	3,269	3,352
Others	152	153
	3,421	**3,505**

29. Employee Benefit Expenses

(₹ millions)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Salaries, wages and bonus	2,655	2,589
Contribution to provident fund	82	81
Equity settled/cash settled option expense	25	65
Staff welfare expenses	101	116
Others	52	65
	2,915	**2,916**

"Salaries, wages and bonus" includes gratuity and other post employment benefits. For details, refer note 36.

Further, for details of employee stock/cash option expense, refer note 37

30. Repairs and Maintenance

(₹ millions)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Repair and maintenance		
- Plant and machinery	2834	3,168
- Building	4	3
- Others	797	891
	3,635	**4,062**

Notes to Standalone Financial Statements

for the year ended March 31, 2019

31. Other expenses

(₹ millions)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Insurance	89	53
Travelling and conveyance	160	148
Communication expenses	89	93
Legal and professional	482	418
IT expenses	344	266
Provision for doubtful debts and advances (net)	(946)	(88)
Bad Debts Written off	887	-
Miscellaneous expenses		
- Network	91	6
- Others	121	134
	1,317	**1,030**

Payment to Auditor (Net of GST/ Service Tax)

(₹ millions)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Audit fee	5.2	5.2
Other services	0.9	-
Reimbursement of expenses	0.4	0.4
	6.5	**5.6**

32. Depreciation and amortization expense

(₹ millions)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation	11,001	12,137
Amortization	42	46
	11,043	**12,183**
Less: adjusted with general reserve in accordance with the Scheme of arrangement with Bharti Airtel Limited (refer note 45)	(406)	(387)
	10,637	**11,796**

Notes to Standalone Financial Statements

for the year ended March 31, 2019

33. Finance Costs and Income

(₹ millions)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Finance costs		
Interest cost	62	25
Bank charges	4	7
Unwinding of discount on asset retirement obligation	199	172
Unwinding of discount on security deposit received	264	261
	529	**465**
Finance Income		
Interest income on financial assets carried at amortized cost:		
Interest on bank deposit	184	199
Interest on security deposit paid	39	41
Interest income on loans	-	73
Interest income on financial assets carried at fair value through other comprehensive income:		
Interest on tax free bonds	145	144
Interest on certificate of deposits	52	56
Interest on commercial paper	60	26
Interest income on financial assets carried at fair value through profit or loss:		
Interest on government securities	922	2,987
Interest on taxable bonds	75	79
Interest on non convertible debentures	11	62
Gain/(loss) on investments (including MTM gain/(loss))	2,918	(1,497)
	4,406	**2,170**

34. Exceptional Items

Aircel was one of the leading customer of the Company. During the previous year ended March 31, 2018, Aircel filed for bankruptcy with NCLT. Pursuant to the same, the Company had assessed the recoverability of dues and has taken a charge of ₹ 260 Mn as an exceptional item.

35. Earnings Per Share (EPS)

(₹ millions)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Nominal value of equity shares (₹)	10	10
Profit attributable to equity shareholders for computing Basic and Dilutive EPS (A) (₹ Millions)	27,790	24,139

Notes to Standalone Financial Statements

for the year ended March 31, 2019

35. Earnings Per Share (EPS) (contd..)

(₹ millions)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Weighted average number of equity shares outstanding during the year for computing Basic EPS (B)	1,849,608,246	1,849,608,246
Dilutive effect on weighted average number of equity shares outstanding during the year	-	-
Weighted average number of equity shares and equity equivalent shares for computing Diluted EPS (C)	1,849,608,246	1,849,608,246
Basic earnings per share (A/B) (₹)	15.025	13.051
Diluted earnings per share (A/C) (₹)	15.025	13.051

36. Employee Benefits

The Company has recognised the following amounts in the statement of profit and loss:

Defined contribution plan

(₹ millions)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Employer's contribution to provident fund	82	81
	82	**81**

Defined benefit plan

Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each reporting period. The plan is not funded by the Company. Such liability is included in salaries, wages and bonus, refer note 29.

Gratuity

i. Amount Charged to the Statement of Profit and Loss:

(₹ millions)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Service cost	31	32
Interest cost	15	13
	46	**45**

Notes to Standalone Financial Statements

for the year ended March 31, 2019

ii. Due to its Defined Benefit Plans, the Company is Exposed to the Following Significant Risks:

Changes in bond yields - A decrease in bond yields will increase plan liability.

Salary risk - The present value of the defined benefit plans liability is calculated by reference to the future salaries of the plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The assumptions used to determine the benefit obligation are as follows:-

(₹ millions)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Discount rate	7.65%	7.85%
Expected rate of increase in compensation levels	9.00%	10.00%
Expected average remaining working lives of employees (years)	22.41	22.76

iii. Reconciliation of Opening and Closing Balances of Defined Benefit Obligation:

(₹ millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Present value of benefit obligation at beginning of year	194	172
Service cost	31	32
Interest cost	15	13
Benefits paid	(22)	(22)
Actuarial (gain)/ loss	(8)	(1)
Acquisition Adjustment	(6)	-
Present value of benefit obligation at end of year	**204**	**194**

iv. Amount Recognised in Other Comprehensive Income

(₹ millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Opening Net Cumulative unrecognized	(11)	(12)
Actuarial Gain / (Loss)	8	1
Unrecognized Actuarial Gain/(Loss) at the end of year	**(3)**	**(11)**

Notes to Standalone Financial Statements

for the year ended 31, 2019

v. The discount rate is based on the average yield on government bonds at the reporting date with a term that matches that of the liabilities.

vi. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

vii. Estimated amounts of expense to be recognized within next year is ₹ 47 Mn (March 31, 2018– ₹ 46 Mn).

viii. The Maturity Profile of Defined Benefit Obligation is as Follows

(₹ millions)

Period	Amount
April 2019- March 2020	49
April 2020- March 2021	17
April 2021- March 2022	15
April 2022- March 2023	14
April 2023 onwards	109

ix. Sensitivity Analysis

(₹ millions)

Particulars	Change in Assumption		Impact on Gratuity	
	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018
Discount rate	+1%	+1%	(11)	(8)
	-1%	-1%	12	9
Salary Growth rate	+1%	+1%	12	8
	- 1%	-1%	(11)	(8)

The above sensitivity analysis is based on a change in an assumption by a percentage while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. While calculating the sensitivity of the defined benefit obligation to significant actuarial assumption, same method i.e. Projected Unit Credit method has been applied as when calculating the gratuity liability recognized within the Balance sheet.

37. Employee Stock/Cash Settled Option Plans

Pursuant to the board resolution dated July 22, 2008 and the resolution of the shareholders in extraordinary general meeting dated August 28, 2008, the Company instituted the Employee Stock Option Scheme 2008 (the 2008 Scheme). In FY 2013-14 and 2014-15, the Company had announced new performance unit plan (cash settled option plan) for its employees. In FY 2015-16, 2016-17, 2017-18 and 2018-19, the Company had announced Long term incentive plan (LTIP) 2015, Long term incentive plan (LTIP) 2016, Long term incentive plan (LTIP) 2017 and Long term incentive plan (LTIP) 2018 respectively for its employees.

Notes to Standalone Financial Statements

for the year ended March 31, 2019

37. Employee Stock/Cash Settled Option Plans (contd..)

The following table provides an overview of all existing stock/cash option plans of the Company.

Equity	Scheme	Plan	Stock options outstanding (in thousands)	Vesting period (years)	Contractual term (years)	Weighted average exercise price (₹)	Classification/ accounting treatment
	Equity settled Plans						
Company	Infratel Plan	2008 Plan	58	1 - 5	7	110	Equity settled
	Infratel Plan	Long term incentive plan (LTIP)	-	1 - 3	7	10	Equity settled
	Infratel Plan	Long term incentive plan (LTIP) 2015 (Grant 2015)	17	1 - 3	7	10	Equity settled
	Infratel Plan	Long term incentive plan (LTIP) 2015 (Grant 2016)	46	1 - 3	7	10	Equity settled
	Infratel Plan	Long term incentive plan (LTIP) 2015 (Grant 2017)	74	1 - 3	7	10	Equity settled
	Infratel plan	Long term incentive plan (LTIP) 2015 (Grant 2018)	158	1 - 3	7	10	Equity settled
	Cash settled Plans						
	Infratel Plan	Performance Unit Plan (2013 and 2014)	23	1 - 3	7	-	Cash settled

The following table provides details of vesting schedule (graded vesting) of all the existing stock/cash settled option plans of the Company:-

Particulars	Vesting period from the grant date	Vesting schedule
1. ESOP Scheme 2008 (including LTIP)		
For options with a vesting period of 36 months:		
	On completion of 12 months	30%
	On completion of 24 months	30%
	On completion of 36 months	40%
For options with a vesting period of 48 months:		
	On completion of 12 months	15%
	On completion of 24 months	20%
	On completion of 36 months	30%
	On completion of 48 months	35%

Notes to Standalone Financial Statements

for the year ended March 31, 2019

The following table provides details of vesting schedule (graded vesting) of all the existing stock/cash settled option plans of the Company:- (contd..)

Particulars	Vesting period from the grant date	Vesting schedule
For options with a vesting period of 60 months:		
	On completion of 12 months	20%
	On completion of 24 months	20%
	On completion of 36 months	20%
	On completion of 48 months	20%
	On completion of 60 months	20%
2. Performance Unit Plan (Cash settled plan) (2013 and 2014)		
For options with a vesting period of 36 months:		
	On completion of 12 months	30%
	On completion of 24 months	30%
	On completion of 36 months	40%
3. Long term incentive plan (LTIP) 2015 (Grant 2015)		
For options with a vesting period of 36 months:		
	On completion of 12 months	30%
	On completion of 24 months	30%
	On completion of 36 months	40%
4. Long term incentive plan (LTIP) 2015 (Grant 2016)		
For options with a vesting period of 36 months:		
	On completion of 12 months	30%
	On completion of 24 months	30%
	On completion of 36 months	40%
5. Long term incentive plan (LTIP) 2015 (Grant 2017)		
For options with a vesting period of 36 months:		
	On completion of 12 months	30%
	On completion of 24 months	30%
	On completion of 36 months	40%
6. Long term incentive plan (LTIP) 2015 (Grant 2018)		
For options with a vesting period of 36 months:		
	On completion of 12 months	30%
	On completion of 24 months	30%
	On completion of 36 months	40%

Notes to Standalone Financial Statements

for the year ended March 31, 2019

Information concerning the movement in stock options during the year and outstanding at the year end is as follows:

(₹ millions)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of stock options (In '000)	Exercise price (₹)	Number of stock options (In '000)	Exercise price (₹)
Company				
Plan 2008				
Outstanding at beginning of the year	108	110	158	110
Granted	-	-	-	-
Forfeited	(1)	110	(1)	110
Exercised	(49)	110	(49)	110
Outstanding at the year end	58	110	108	110
Exercisable at end of the year	58	110	108	110
LTI Plan (Part of 2008 plan)				
Outstanding at beginning of the year	-	-	2	10
Granted	-	-	-	-
Forfeited	-	-	-	-
Exercised	-	-	(2)	10
Outstanding at the year end	-	-	-	-
Exercisable at end of the year	-	-	-	-
Cash settled Plan (2013 and 2014)				
Outstanding at beginning of the year	23	NA	75	NA
Granted	-	-	-	-
Forfeited	-	-	-	-
Exercised	-	NA	(52)	NA
Outstanding at the year end	23	NA	23	NA
Exercisable at end of the year	23	NA	23	NA
LTI Plan 2015 (Grant 2015)				
Outstanding at beginning of the year	45	10	68	10
Granted	-	-	-	-
Forfeited	(4)	10	(4)	10
Exercised	(25)	10	(18)	10
Outstanding at the year end	17	10	45	10
Exercisable at end of the year	17	10	16	10
LTI Plan 2015 (Grant 2016)				
Outstanding at beginning of the year	83	10	105	10
Granted	-	-	-	-
Forfeited	(13)	10	(6)	10
Exercised	(24)	10	(16)	10
Outstanding at the year end	46	10	83	10
Exercisable at end of the year	17	10	15	10

Notes to Standalone Financial Statements

for the year ended March 31, 2019

Information concerning the movement in stock options during the year and outstanding at the year end is as follows: (contd..)

(₹ millions)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of stock options (In '000)	Exercise price (₹)	Number of stock options (In '000)	Exercise price (₹)
LTI Plan 2015 (Grant 2017)				
Outstanding at beginning of the year	110	10	-	-
Granted	-	-	115	10
Forfeited	(21)	10	(5)	10
Exercised	(15)	10	-	-
Outstanding at the year end	74	10	110	10
Exercisable at end of the year	14	10	-	-
LTI Plan 2015 (Grant 2018)				
Outstanding at beginning of the year	-	-	-	-
Granted	158	10	-	-
Forfeited	-	-	-	-
Exercised	-	-	-	-
Outstanding at the year end	158	10	-	-
Exercisable at end of the year	-	-	-	-

The following table summarises information about weighted average remaining contractual life, weighted average fair value and weighted average share price for the options:

Plan	Weighted average remaining contractual life for the options outstanding as of (years)		Weighted average share price for the options granted during the year ended (₹)		Weighted average share price for the options exercised during the year ended (₹)	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Equity settled plans						
Plan 2008	2.17	2.66	-	-	278.61	385.35
LTI Plan (Part of 2008 plan)	-	-	-	-	-	420.30
LTI plan 2015 (Grant 2015)	6.01	6.87	-	-	292.96	380.92
LTI plan 2015 (Grant 2016)	6.88	7.62	-	-	291.83	368.71
LTI plan 2015 (Grant 2017)	7.61	8.44	-	377.42	265.83	-
LTI plan 2015 (Grant 2018)	8.44	-	258.29	-	-	-
Cash settled plans						
PUP 2013 & 2014	4.59	5.59	-	-	-	418.45

Notes to Standalone Financial Statements

for the year ended March 31, 2019

The fair value of the options granted during the year was estimated using the Black Scholes, method of valuation with the following assumptions:

(₹ millions)

Particulars	LTIP Plan 2015 (Grant 2018) As at March 31, 2019	LTIP Plan 2015 (Grant 2017) As at March 31, 2018
Risk free interest rates	6.21% to 8.03%	6.17% to 6.90%
Vesting period	36 months	36 months
Weighted average share price (₹)	220.20	314.52
Volatility	29.06%	33.82%
Dividend yield	4.74%	3.99%

Total employee stock/cash options expense recognised for the year ended March 31, 2019 and March 31, 2018 is ₹ 25 Mn and ₹ 65 Mn respectively.

Notes:

(i) The Company has decided to issue equity shares on exercise of ESOPs through ESOP trust. The loan of ₹ 625 Mn has been given to ESOP trust during F.Y 2014-15 to purchase the Equity Shares of the Company from open market as permitted by SEBI (Share Based Employee Benefits) Regulations, 2014.

(ii) During the FY 2014-15 Bharti Infratel Employee Welfare Trust (a trust set up for administration of Employee Stock Option Plan ('ESOP') of the Company) has acquired 1,652,000 equity shares of the Company from the open market at an average price of ₹ 377.72 per share. As of March 31, 2019, Bharti Infratel Employee Welfare Trust ('the Trust') holds 636,660 shares (of Face Value of ₹ 10 each) (March 31, 2018- 762,110 equity shares) of the Company.

(₹ millions)

Particulars	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
	Number of Shares		(₹ Millions)	
Opening Balance	762,110	852,656	289	324
Issued during the year	(125,450)	(90,546)	(49)	(35)
Closing Balance	**636,660**	**762,110**	**240**	**289**

Notes to Standalone Financial Statements

for the year ended March 31, 2019

38. Leases

(a) Operating Lease: Company as a Lessee

The lease rentals paid under non-cancelable leases relating to rentals of building premises and cell sites as per the agreements with escalation rates ranging from 0% to 25% per annum and maximum obligation on long-term non-cancelable operating leases are as follows:

(₹ millions)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Lease rental charged to statement of profit and loss	3,421	3,505
Obligation on non-cancelable lease:		
Not Later than one year	3,362	3,446
Later than one year but not later than five years	14,632	14,632
Later than five years	12,706	13,199
	30,700	**31,277**

(b) Operating Lease: Company as a Lessor

The Company has given sites on operating lease to telecom operators. As per the agreements with the operators the escalation rates range from 0% to 2.5% per annum. The service charges recognised as income during the year for non-cancellable arrangements relating to provision for passive infrastructure sites as per the agreements is ₹ 39,844 Mn and ₹ 40,649 Mn for the year ended March 31, 2019 and March 31, 2018 respectively.

(₹ millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Future minimum lease payment receivable:		
Not Later than one year	35,234	39,974
Later than one year but not later than five years	112,762	132,513
Later than five years	34,568	47,575
	182,564	**220,062**

Notes to Standalone Financial Statements
for the year ended March 31, 2019

39. Contingencies

a) Guarantees

(₹ millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Guarantees issued by banks and financials institutions on behalf of the Company	-	2
	-	**2**

b) Claims Against the Company not Acknowledged as Debt

(₹ millions)

Particulars	As at March 31, 2019	As at March 31, 2018
(i) Taxes, duties and other demands (under adjudication / appeal / dispute)@		
- Sales tax (refer to a below)#	2	2
- Stamp duty (refer to b below)	192	192
- Entry tax (refer to c below)	2,375	2,374
- Municipal taxes (refer to d below)	1,543	1,360
- Service tax (refer to e below)	16,457	16,272
(ii) Other claims under legal cases including arbitration matters (refer to f below)	469	106
(iii) Income tax matters (refer to g below)#	5	1,398
	21,043	**21,704**

@ the amount includes demand amount and interest till the date of demand.

Includes ₹ 2 Mn (Sales tax) (March 31, 2018 - ₹ 2 Mn) and ₹ 5 Mn (Income tax), (March 31, 2018 - ₹ 1,398 Mn) for which the possibility of tax demand materializing is remote, based on internal assessment of the Company.

Unless otherwise stated below, the management based on legal advice believes that, the outcome of these contingencies will be favorable and loss is not probable.

a) Sales tax

The claims for sales tax comprise of the case relating to levy of demand in vehicle seizure case & non submission of concessional forms.

b) Stamp duty

The Company had received demand in certain states for stamp duty on execution of Leave and License Agreement of Cell Sites.

c) Entry tax

Hon'ble Apex Court on November 11, 2016 while upholding the constitutional validity of entry tax levied by few States wherever its applicable, referred all the cases back to regular benches of the Court/s to decide all existing cases on merits while testing inter alia that whether the present levies in each such case/ State is discriminatory in nature or not.

Notes to Standalone Financial Statements

for the year ended March 31, 2019

Accordingly, all the said cases were listed before the regular bench of Supreme Court wherein after taking up all pending cases on State by State basis court have found that prima facie inter alia discrimination issues still exists and all the listed petitions have been remanded back with direction, to file fresh writ petitions before respective High Courts on the ground of discrimination as well as other directions as laid down in the aforesaid judgment of nine member bench of Hon'ble Supreme Court. The Company has filed fresh writ petition in the state of Orissa, Madhya Pradesh, Chhattisgarh, Rajasthan, Mizoram and Assam and amended the pending petitions in the states of Mizoram, Bihar and Jammu & Kashmir. The amendment has been allowed in the states of Jammu & Kashmir and Mizoram and pending in the state of Bihar. Pending disposition of each case by the High Courts, the company has decided to maintain 'Status Quo' on its position/assessment.

d) Municipal taxes

The Company based on its assessment of the applicability and tenability of certain municipal levies, which is an industry wide phenomenon, does not consider the impact of such levies to be material.

Further, in the event these levies are confirmed by the respective government authorities, the Company would recover these amounts from its customers in accordance with the terms of Master Service Agreement.

e) Service tax

The service tax department had issued certain orders for the disallowance of cenvat credit availed on Inputs, Capital Goods and Input Services for the period starting from August, 2007 to March, 2014 and follow up orders for the financial year 2014-15 and 2015-16. The Company has filed writ petition before Hon'ble High Court of Delhi which was allowed in favour of the Company vide order dated October 31, 2018 wherein it was held that towers are movable in nature and Cenvat credit can be availed on receipt of such goods.

On the similiar matter, there are contrary judgements by the Hon'ble High Court of Bombay in the case of few telecom operators against which, such operators have filed SLP before Hon'ble Supreme Court.These matters are pending before Supreme Court for final decision.

In separate proceeding before Directorate General of Central Excise Intelligence, the department had issued order for disallowance of Cenvat credit on items sold as scrap for the year 2014-15 and 2015-16 against which the company has filed appeal before CESTAT.

f) Other claims mainly includes demands under BOCW Cess Act and site related legal disputes.

During the year, the company has received a demand in the state of Jammu & Kashmir (J&K) and Madhya Pradesh (MP) under Building & Other Construction Workers Cess Act,1996 (the BOCW Cess Act, 1996). The Demand in MP has been challenged before Statutory Appellate Authority of Jabalpur under BOCW Cess Act, 1996. The hearing has been concluded and the Order is reserved by the Authority. The demand in J&K has been challenged through writ petition before the J&K High Court which is now fixed for hearing on April 25, 2019.

g) Income tax matters

The tax demands for Assessment years 2011-12 is mainly on issue of disallowance of provision for gratuity as unascertained provision u/s 115JB against which matter is pending before ITAT, Delhi.

The Principal bench of ITAT and CIT(A) in AY 2008-09, 2009-10 and 2011-12 and 2013-14 in respective assessment years has given relief on main issue involved in all of the assessment years i.e. disallowance of lease equalization revenue and lease equalization charges claimed/disallowed in computation of Income of respective assessment years as being notional in nature.

During the year ended March 31, 2018, CIT(A) in AY 2012-13 & 2014-15 has allowed the appeal filed by company on issue of disallowance of lease equalization revenue and lease equalization charges claimed/disallowed in computation of Income of respective assessment years, relying on order passed by Delhi ITAT on similar issue in assessment year 2008-09.

Notes to Standalone Financial Statements

for the year ended March 31, 2019

c) Capital Commitment

(₹ millions)

Particulars	As at March 31, 2019	As at March 31, 2018
Estimated amount of contracts to be executed on capital account and not provided for in the financial statements (net of capital advances)	1,256	2,623
	1,256	**2,623**

40. Fair Values

Set out below is the Category wise details as to the carrying amount and fair value of the Company's financial instruments that are recognised in the financial statements.

(₹ millions)

Particulars	Carrying Amount		Fair Value	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Financial Assets				
At fair value through profit or loss				
Investment in mutual funds	32,830	51,372	32,830	51,372
Investment in government securities	12,218	12,088	12,218	12,088
Investment in non convertible debentures	-	997	-	997
Investment in taxable bonds	801	1,001	801	1,001
At fair value through other comprehensive income				
Investment in tax free bonds	2,124	2,153	2,124	2,153
Investment in commercial paper	-	239	-	239
At amortised cost				
Cash and cash equivalents	2	305	2	305
Other bank balances	14	4	14	4
Trade receivables	5,454	2,745	5,454	2,745
Other financial assets	6,862	6,833	6,862	6,833
	60,305	**77,737**	**60,305**	**77,737**
Financial Liabilities				
At amortised cost				
Borrowings	57	-	57	-
Trade payables	10,826	10,995	10,826	10,995
Other financial liabilities	4,601	5,002	4,601	5,002
	15,484	**15,997**	**15,484**	**15,997**

The following methods / assumptions were used to estimate the fair values:

i. The carrying value of cash and cash equivalents, other bank balances, trade receivables, borrowings and trade payables approximate their fair value mainly due to the short-term maturities of these instruments.

ii. The fair values of financial assets classified as Fair Value through Profit or Loss like investment in mutual funds, taxable bonds, non convertible debentures and government securities is based on quoted market price/ net assets value at the reporting date.

Notes to Standalone Financial Statements

for the year ended March 31, 2019

iii. The fair value of other financial assets and other financial liabilities is estimated by discounting future cash flows using rates applicable to instruments with similar terms, currency, credit risk and remaining maturities. The fair values of other financial assets and other financial liabilities are assessed by the management to be same as their carrying value and is not expected to be significantly different if estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

iv. The fair value of financial asset classified as Fair Value through other comprehensive income like investment in commercial paper, certificate of deposits and tax free bonds etc are based on market value/net assets value at the reporting date.

There are no significant unobservable inputs used in the fair value measurement.

41. Fair Value Hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole;

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

The following table presents the financial instruments measured at fair value, by level within the fair value measurement hierarchy:

(₹ millions)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Level 1	Level 2	Level 1	Level 2
Financial Assets				
At fair value through profit or loss				
- Investments in mutual funds	32,830	-	51,372	-
- Investments in government securities	12,218	-	12,088	-
- Investments in non convertible debentures	-	-	997	-
- Investments in taxable bonds	-	801	1,001	-
At fair value through other comprehensive income				
- Investments in tax free bonds	-	2,124	-	2,153
- Investments in commercial paper	-	-	-	239
At Amortised Cost				
- Investments in certificate of deposits	-	-	-	-
- Investments in commercial paper	-	-	-	-
Total	**45,048**	**2,925**	**65,458**	**2,392**

During the year ended March 31, 2019, there were no transfers between Level 1 and Level 2 fair value measurements as well as in to and out of Level 3 fair value measurements for the investments listed above.

Notes to Standalone Financial Statements

for the year ended March 31, 2019

42. Related Party Disclosures

In accordance with the requirements of Ind AS - 24 “Related Party Disclosures”, the names of the related parties where control exists and/ or with whom transactions have taken place during the year and description of relationships, as identified and certified by the management are as below:

A. List of related parties

1. Key Management Personnel (KMP)

Akhil Kumar Gupta,	Chairman
D.S. Rawat,	Managing Director and CEO
Pankaj Miglani,	Chief Financial Officer (till August 9, 2018)
S Balasubramanian,	Chief Financial Officer (w.e.f August 10, 2018)
Samridhi Rodhe,	Company Secretary (w.e.f. January 17, 2018)

2. Related Parties where Control Exists Irrespective of Whether Transactions have Occurred or Not

Parent Company — Bharti Airtel Limited

Ultimate controlling entity (w.e.f. November 3, 2017) — Bharti Enterprises (Holding) Private Limited,

(It is held by private trusts of Bharti family, with Mr. Sunil Bharti Mittal’s family trust effectively controlling the said company.)

Subsidiary Company — Smartx Services Limited

3. Other Related Parties with Whom Transactions have Taken Place During the Year

Name of related party	Relationship
Bharti Hexacom Limited	Fellow Subsidiary
Bharti Telemedia Limited	Fellow Subsidiary
Nxtra Data Limited	Fellow Subsidiary
Nettle Infrastructure Investments Limited	Fellow Subsidiary
Bharti Airtel Services Limited	Fellow Subsidiary
Indus Towers Limited	Joint Venture
Bharti Enterprises Limited	Group Company
Centum Learning Limited	Group Company
Bharti Foundation	Group Company
Bharti Infratel Employees Welfare Trust	Group Company
Bharti Realty Holdings Limited	Group Company
Bharti Realty Limited	Group Company
Bharti Insurance Holdings Private Limited	Group Company
Bharti Ventures Limited	Group Company

- ‘Group Company’ though not ‘Related Parties’ as per the definition under Ind AS 24, ‘Related party disclosures’, have been included as a voluntary disclosure.

Notes to Standalone Financial Statements

for the year ended March 31, 2019

B. Related Party Transactions During the Year:

Related party transactions represent transactions entered into by the Company with parent Company, Subsidiary Company, entities having significant influence over the Company/Group Company, joint venture and fellow subsidiaries. The transactions with these related parties for year ended March 31, 2019 and March 31, 2018 and balances as at March 31, 2019 and March 31, 2018 are described below:

(₹ millions)

Relationship Nature of transaction	Year ended March 31,		Year ended March 31,		Year ended March 31,		Year ended March 31,		Year ended March 31,	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	Parent Company		Subsidiary Company		Group Company		Fellow subsidiaries		Joint venture	
Loan given	-	-	(170)	(121)	-	(6,100)	-	-	-	-
Loan repaid	-	-	-	-	64	6,149	-	-	-	-
Advance given	-	(60)	-	-	-	-	-	-	-	-
Sale of property plant and equipment	-	-	7	34	-	-	-	-	-	-
Purchase of property plant and equipment	-	-	-	-	(111)	-	-	-	-	-
Revenue from operations*	40,153	34,822	8	-	-	-	3,249	2,934	-	-
Expenses (other than employee related) incurred on behalf of Company	-	-	-	-	(246)	(247)	-	-	-	-
Reimbursement of expenses	(33)	(42)	9	26	-	-	-	-	4	-
Employee related expenses incurred on behalf of Company	-	-	-	-	-	-	(4)	(6)	-	-
Procurement of services	(140)	(171)	-	-	(13)	(14)	(36)	(33)	-	-
Security deposit received	(24)	(15)	-	-	-	-	(1)	(6)	-	-
Security deposit refunded	-	10	-	-	-	-	-	1	-	-
Security deposit paid	-	-	-	-	-	-	-	-	-	-
Commission paid	-	-	-	-	-	-	-	-	(108)	(80)
Dividend received	-	-	-	-	-	-	-	-	11,261	10,010
Dividend paid/declared	(20,015)	(3,724)	-	-	(15)	(3)	(1,265)	(838)	-	-
Donation given	-	-	-	-	(361)	(200)	-	-	-	-
Interest Income	-	-	-	-	-	73	-	-	-	-
Retiral Benefit - Transfer of Employees	(7)	-	-	-	-	-	-	-	-	-
	19,934	**30,820**	**(146)**	**(61)**	**(682)**	**(342)**	**1,943**	**2,052**	**11,157**	**9,930**

*Inclusive of service tax amount/GST

Notes to Standalone Financial Statements

for the year ended March 31, 2019

B. Related Party Transactions During the Year: (contd..)

(₹ millions)

Relationship	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018
	Parent Company		Subsidiary Company		Group Company		Fellow subsidiary		Joint venture	
Trade payables	(75)	(71)	-	-	-	-	(9)	(9)	(74)	(140)
Other current assets	5	60	-	-	195	259	8	-	-	-
Other financial assets	2,767	2,689	299	181	3	3	217	191	-	-
Trade receivables	3,133	701	-	-	-	-	689	134	-	-
Other financial liabilities	(1,902)	(1,878)	-	-	(12)	-	(154)	(153)	-	-
	3,928	**1,501**	**299**	**181**	**186**	**262**	**751**	**163**	**(74)**	**(140)**

Particulars in Respect of Loans and Advances in the Nature of Loans as Required by Regulation 53(F) Read with Para A of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

(₹ millions)

Particulars	Balance as at March 31, 2019	Balance as at March 31, 2019	Maximum outstanding during 2018-19	Maximum outstanding during 2017-18
Loan given to subsidiary				
Smartx Services Limited	291	121	291	121
Bharti Infratel Employee's welfare Trust	195	259	259	308

Payments Made to Key Management Personnel/ Non Executive Directors:

(₹ millions)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Short-Term employee benefits (including salary and sitting fee)	130	132
Post-Employment benefits	16	14
Share based payment	5	17
	151	**163**

Amount received from KMP for ESOP exercised ₹ 1 Mn during the year ended March 31, 2019 (March 31, 2018 ₹ 1 Mn).

Terms and Conditions of Transactions with Related Parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the end of the year are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

Notes to Standalone Financial Statements

for the year ended March 31, 2019

43. The Company is engaged in the business of establishing, operating and maintaining wireless communication towers. This is the only activity performed and there are no components of the Company that may be identified as a reportable segment. Further, as the Company does not operate in more than one geographical segment, the relevant disclosures as per Ind AS 108 – operating segments are not applicable to the Company on a standalone basis.

44. As per transitional provisions specified in Ind AS 101, The Company has continued to apply the accounting prescribed under the scheme with respect to mergers listed below.

a) Scheme Accounting – Bharti Airtel Scheme

During the year ended March 31, 2008, pursuant to the Scheme of Arrangement with Bharti Airtel Limited ('BAL Scheme') under sections 391 to 394 of the Companies Act, 1956, the telecom infrastructure undertaking of Bharti Airtel Limited was transferred to the Company. Pursuant to the Scheme, the depreciation charged by the Company on the excess of the fair values over the original book values of the assets transferred by Bharti Airtel Limited is being off-set against General Reserve. Accordingly, depreciation charges on the excess of fair value over the original book values is charged to General Reserve.

b) Scheme Accounting – The Indus Scheme

The Scheme of Arrangement ('Indus Scheme') under Section 391 to 394 of the Companies Act, 1956 for transfer of all assets and liabilities, as defined in Indus scheme, from Bharti Infratel Ventures Limited (BIVL), erstwhile wholly owned subsidiary Company, to Indus Towers Limited (Indus), was approved by the Hon'ble High Court of Delhi vide order dated April 18, 2013 and filed with the Registrar of Companies on June 11, 2013 with appointed date April 1, 2009 i.e. effective date of Indus Scheme and accordingly, effective June 11, 2013, the erstwhile subsidiary Company has ceased to exist and has become part of Indus. The Company was carrying investment in BIVL at ₹ 59,921 Mn. Pursuant to Indus Scheme, the Company has additionally got 504 shares in Indus in lieu of transfer of its investment in BIVL to Indus and recorded these additional shares at their fair value of ₹ 60,419 Mn in accordance with the scheme. The resultant gain of ₹ 382 Mn (net of taxes ₹ 116 Mn) has been disclosed as adjustment to carry forward balance of Statement of Profit and Loss as at April 1, 2009.

45. During FY 2016-17, the Company (concessionaire) has entered into a concession agreement as a lead member with Bhopal Smart City Development Corporation Limited (BSCDL/ grantor) along with other consortium members for implementation and maintenance of "Bhopal Smart City project"(the project) vide agreement dated October 28, 2016. As per the terms of the agreement, the Company along with the consortium members has to work on Build, Own, Operate and Transfer (BOOT) model on Public Private Partnership (PPP) basis.

The concession period granted as per the agreement is 15 years (excluding implementation period of 1 year) further extendable by another 15 years based on mutually agreed terms and conditions.

The title of interest, ownership and rights with regard to project implemented by the Company along with fixtures/ fittings provided therein shall rest with the Company until the expiry/ termination of the agreement and the rights related to the land allotted by the BSCDCL shall vest with the BSCDCL, except that, these will be operated and maintained by the Company at its own cost and expenses as agreed in the concession agreement.

These project facilities and assets constructed shall be transferred to BSCDCL at zero cost on expiry/ termination of the agreement. On obtaining the Completion Certificate from the specified authority, the Company shall be exclusively entitled to demand and collect revenue from the project assets in any manner.

The Concessionaire shall pay a fixed quarterly revenue share, as specified by the terms of agreement, to BSCDCL over the concession period.

Notes to Standalone Financial Statements

for the year ended March 31, 2019

46. During the year ended March 31, 2019, the company has received dividend of ₹22,500 per equity share from joint venture company amounting to ₹11,261 Mn which has been disclosed under other income.

47. The Company was required to spend ₹ 440 Mn towards CSR expenditure as per the requirement of the Companies Act 2013. During the year ₹ 414 Mn were spent towards ongoing long term CSR projects basis approval from the board. The disbursement of committed funds was based on the individual project work plans and milestones achieved over the year. All projects are being monitored and evaluated on the progress made and impact created during the routine course of the business. The Company also contributed as charity/donation to Ibadat Foundation* and Bharti Foundation (₹ 1 Mn via Airtel Delhi Half Marathon).

*Amount contributed is less than 1 Mn.

Charity and donation includes ₹ 130 Mn (FY 2017-18 : ₹ 80 Mn) paid to Prudent electoral trust (erstwhile Satya electoral trust).

48. Financial Risk Management Objectives and Policies

The Company's principal financial liabilities comprise trade payables, security deposits received, short term borrowings etc. The main purpose of these financial liabilities is to manage finances for the Company's operations. The Company's principal financial assets include Investment in Mutual Funds, Bonds and Government Securities, trade and other receivables, unbilled revenue, cash and cash equivalents, security deposits paid, etc. that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance frame work for the Company are accountable to the Board Audit Committee. This process provides assurance to the Company's senior management that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Company's policies and Company's risk appetite. The Company has not entered into any derivative transactions. All derivative activities if any, for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes shall be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below:

(a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, foreign currency risk and price risk. Financial instruments affected by market risk include interest bearing Investment in bonds, Government Securities and fixed deposits etc.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2019 and March 31, 2018.

The Company's exposure to financial risks is to a variety of financial risks, including the effect of changes in foreign currency exchange rates, if any. The Company uses derivative financial instruments such as foreign exchange contracts to manage its exposures and foreign exchange fluctuations, if any.

(i) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company has invested in Government securities and bonds which will fetch a fixed rate of interest, hence, the income and operating cash flows are substantially independent of changes in market interest rates.

Notes to Standalone Financial Statements

for the year ended March 31, 2019

(ii) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Indian Rupee is the Company's functional currency. As a consequence, the Company's results are presented in Indian Rupee and exposures are managed against Indian Rupee accordingly. The Company has very limited foreign currency exposure mainly due to incurrence of some expenses. The Company may use foreign exchange option contracts or forward contracts towards operational exposures resulting from changes in foreign currency exchange rates exposure. These foreign exchange contracts, carried at fair value, may have varying maturities depending upon the primary host contract requirement.

The Company manages its foreign currency risk if any, by hedging appropriate percentage of its foreign currency exposure, as approved by the Board as per established risk management policy.

(iii) Price Risk

The Company invests its surplus funds in various Government securities, taxable and tax free quoted debt bonds, liquid & Money Market schemes of mutual funds (liquid investments) and higher duration short term debt funds.

These are susceptible to market price risk, mainly arising from changes in the interest rates or market yields which may impact the return and value of such investments. The Company manages the price risk through diversification from time to time.

(b) Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily for trade and other receivables) and from its financing activities, including deposits with banks and financial institutions, and other financial instruments.

(i) Trade Receivables

Customer credit risk is managed in accordance with Company's established policy, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally on 15 days credit term. Outstanding customer receivables are regularly monitored. The ageing analysis of trade receivables as of the reporting date is as follows:

(₹ millions)

Particulars	Within due date	Less than 30 days	30 to 60 days	60 to 90 days	above 90 days	Total
Trade receivables as at March 31, 2019	578	2,580	851	572	1,210	**5,791**
Trade receivables as at March 31, 2018	366	456	567	827	1,834	**4,050**

(ii) Financial Instruments and Cash Deposits

Credit risk from balances with banks and financial institutions is managed by Company's treasury in accordance with the board approved policy. Investment of surplus funds are made only with approved counterparties who meet the minimum threshold requirements under the counterparty risk assessment process. The Company monitors ratings, credit spreads and financial strength on at least quarterly basis. Based on its on-going assessment of counterparty risk, the Company adjusts its exposure to various counterparties. The Company's maximum exposure to credit risk for the components of the Balance Sheet at March 31, 2019 and March 31, 2018 is the carrying amounts as illustrated in Note 40.

Notes to Standalone Financial Statements

for the year ended March 31, 2019

(c) Liquidity Risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company principal sources of liquidity are cash and cash equivalents and the cash flow generated from operations. The Company closely monitors its liquidity position and deploys a robust cash management system.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:-

(₹ millions)

Particulars	As at March 31, 2019						
	Carrying Amount	Contractual Cash flow	Less than 6 months	6 to 12 months	1 to 2 years	> 2 years	Total
Bank Overdraft	57	57	57				57
Trade payables	10,826	10,826	10,826	-	-	-	10,826
Other financial liabilities	4,601	5,728	2,636	26	220	2,846	5,728
Total	**15,484**	**16,611**	**13,519**	**26**	**220**	**2,846**	**16,611**

(₹ millions)

Particulars	As at March 31, 2018						
	Carrying Amount	Contractual Cash flow	Less than 6 months	6 to 12 months	1 to 2 years	> 2 years	Total
Trade payables	10,995	10,995	10,995	-	-	-	10,995
Other financial liabilities	5,002	6,489	2,926	256	318	2,989	6,489
Total	**15,997**	**17,484**	**13,921**	**256**	**318**	**2,989**	**17,484**

Notes to Standalone Financial Statements

for the year ended March 31, 2019

Capital Management

For the purpose of Company's Capital management, Capital includes issued equity capital, share premium and all other equity reserves attributable to the equity shareholders. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company has availed Bank overdraft facility for 57 MN (March 31, 2018 –Nil) which is integral part of cash management The Cash and Cash equivalent is ₹ 2 Mn (March 31, 2018 – ₹ 305 Mn). The Company is not having any interest bearing debt as at March 31, 2019 and March 31, 2018 except disclosed above.

49. There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at March 31, 2019.

50. During the year, the company has entered into arrangements with operators to receive an amount estimating to ₹4,900 Mn, which become due over the period of 36 months in monthly equated instalments effective January 1, 2019 on account of exit charges subject to fulfilment of certain periodic obligations given by the company and further extension of new or existing tenancies to the extent of future rental amounting to ₹3,960 Mn. Revenue from operations includes exit charges amounting to ₹1,010 Mn recognised during the year ended March 31, 2019.

51. The Board of Directors has declared an interim dividend of ₹ 7.50 per equity share in its meeting held on April 24, 2019 for financial year 2018-19.

Glossary

Company Related Terms	
4 Overlapping circles	Represent the telecommunication circles of Haryana, Rajasthan, Uttar Pradesh (East) and Uttar Pradesh (West) wherein Bharti Infratel and Indus Towers have overlapping operations. Bharti Infratel is not permitted to roll out any new towers in these telecommunications Circles, although it continues to own andoperate its existing telecommunications towers in these Circles, and add additional sharing operators to these towers. New tower rollout in these telecommunication circles is done by Indus.
7 Circles	Represents the telecommunications circles of Bihar, Madhya Pradesh and Chhattisgarh, Odisha, Jammu and Kashmir, Himachal Pradesh, Assam and North East states wherein Bharti Infratel operates on exclusive basis.
11 Circles	Represents the 7 telecommunications circles of Bihar, Madhya Pradesh and Chhattisgarh, Odisha, Jammu and Kashmir, Himachal Pradesh, Assam and North East states wherein Bharti Infratel operates on exclusive basis and the 4 common circles of Haryana, Rajasthan, Uttar Pradesh (East) and Uttar Pradesh (West) wherein Bharti Infratel and Indus Towers have overlapping operations.
15 Circles	Represents the 11 telecommunication circles of Andhra Pradesh, Delhi, Gujarat, Karnataka, Kerala, Kolkata, Maharashtra & Goa, Mumbai, Punjab, Tamil Nadu (including Chennai) and West Bengal wherein Indus operates on exclusive basis and the 4 common telecommunication circles of Haryana, Rajasthan, Uttar Pradesh (East) and Uttar Pradesh (West) wherein Bharti Infratel and Indus Towers have overlapping operations.
Adjusted Fund from Operations (AFFO)	It is not an Ind AS measure and is defined as EBITDA adjusted for Maintenance and General Corporate Capex, revenue equalisation and lease rent equalisation (which represents straight lining of revenue and expense).
Average Co-locations	Average co-locations are derived by computing the average of the Opening and Closing co-locations at the end of relevant period.
Average Sharing Factor	Average Sharing factor is calculated as the average of the opening and closing number of co-locations divided by average of the opening and closing number of towers for the relevant period.
Average Towers	Average towers are derived by computing the average of the opening and closing towers at the end of relevant period.
BISL	Bharti Infratel Services Limited
BIVL	Bharti Infratel Ventures Limited
Bn	Billion
Capex	It includes investment in gross fixed assets and capital work in progress for the relevant period.
Capital Employed	Capital Employed is defined as sum of equity attributable to equity shareholders and Net Debt/ (Net Cash).
Cash Profit from operations	It is not an Ind AS measure and is defined as operating income adjusted for depreciation and amortisation, revenue equalisation, lease rent equalisations and finance costs.
Closing sharing factor	Closing sharing factor is calculated as the closing number of co-locations divided by closing number of towers as at the end of relevant period.
Co-locations	Co-location is the total number of sharing operators at a tower, and where there is a single operator at a tower; 'co-location' refers to that single operator. Co-locations as referred to are revenue-generating co-locations.

Company Related Terms	
Consolidated Financial statements	The Consolidated financial statements of the company till FY 2012-13 represent the financials of Bharti Infratel Ltd Standalone taken together with its wholly owned subsidiary Bharti Infratel Ventures Ltd and Bharti Infratel's 42% equity interest in Indus Towers Ltd. accounted for by proportionate consolidation. Consequent to Indus Merger, the financial statements of Indus have been prepared after giving effect to the Merger Scheme. Accordingly the Consolidated Financial Results of the Company from quarter ended June 2013 and onwards represent the financials of Bharti Infratel Ltd. Standalone taken together with its 42% equity interest in Indus Towers Ltd. accounted for by proportionate consolidation and consolidating the subsidiary Bharti Infratel Services Ltd. & Smartx Services Ltd. till March 31, 2016 under Indian GAAP. Post transition to Ind AS, the Consolidated financial results of the Company represent financials of Bharti Infratel Ltd. Standalone taken together with its 42% interest in Indus Towers Ltd accounted for under Equity method and consolidation of subsidiary Smartx Services Ltd. and controlled trust Bharti Infratel Employee Welfare Trust.
Cumulative Investments	Cumulative investment comprises of gross property , plant and equipment (including capital Work in Progress) and Intangibles
Current Ratio	Current ratio is computed by dividing the total current assets by total current liabilities as on date.
Debtors Turnover	It is computed by dividing Sum of Revenue from operations by average (of opening and closing) Trade Receivables during the relevant period
Debt Equity Ratio	Debt Equity ratio is computed by dividing the sum of Long term and Short term debt by Equity shareholders' funds.
Earnings per Share (EPS) (Basic)	It is computed by dividing net profit or loss attributable for the period to equity shareholders by the weighted average number of equity shares outstanding during the period.
Earnings per Share (EPS)- (Diluted)	Diluted earnings per share is calculated by adjusting net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period for the effects of all dilutive potential equity shares.
EBIT	Earnings before interest, taxation excluding other income for the relevant period.
EBIT (Including Other Income)	Earnings before interest, taxation including other income for the relevant period.
EBITDA	Earnings before interest, taxation, depreciation and amortisation and charity and donations excluding other income for the relevant period. It is defined as operating income and does not include depreciation and amortisation expense, finance cost and tax expense.
EBITDA (Including Other Income)	Earnings before interest, taxation, depreciation and amortisation and charity and donations including other income for the relevant period.
Enterprise Value (EV)	Calculated as sum of Market Capitalisation plus Net Debt/ (Net Cash) as at the end of the relevant period.
EV / EBITDA (times) (LTM)	Computed by dividing Enterprise Value as at the end of the relevant period (EV) by EBITDA for the preceding (last) 12 months from the end of the relevant period.
Future Minimum Lease Payment Receivable	The Company has entered into long term non-cancellable agreements to provide infrastructure services to telecom operators. Future Minimum Lease Payment Receivable represents minimum amounts receivable in future under the above long term non-cancellable agreements.
GAAP	Generally Accepted Accounting Principle
Green Site	Sites wherein there is minimal diesel consumption to ensure DG's performance (approx 1 litre or 30 min running per day tracked quarterly)
Ind AS	Indian Accounting Standards

Company Related Terms	
IGAAP	Indian Generally Accepted Accounting Principle
Indus Merger	During the quarter ended June 30, 2013, the Scheme of Arrangement (Scheme) under Section 391 to 394 of the Companies Act, 1956 for transfer of all assets and liabilities as defined in the Scheme from Bharti Infratel Ventures Limited (BIVL), wholly owned subsidiary of the Company, Vodafone Infrastructure Limited (formerly known as Vodafone Essar Infrastructure Limited), and Idea Cellular Tower Infrastructure Limited (collectively referred to as 'The Transferor companies') to Indus Towers Limited (Indus) was sanctioned by the Hon'ble High Court of Delhi vide its order dated on April 18, 2013 subject to the final order in another appeal pending before the Division Bench of Delhi High Court and any other orders in any further proceedings thereafter. The Scheme had become operative from June 11, 2013 upon filing of certified copy of the order with the Registrar of Companies with an appointed date of April 1, 2009 i.e. effective date of scheme and accordingly effective June 11, 2013 the transferor companies have ceased to exist and have become part of Indus Towers Ltd. Pursuant to the Indus Merger the IRU agreements between the Transferor Companies and Transferee Company Ceases to exist.
Indus Consolidation	Indus Consolidation represents consolidation of Bharti Infratel's 42% proportionate shareholding in Indus Towers Ltd and 100% of BIVL till FY end 31st March 2013 net of IRU eliminations. W.e.f quarter ending June'13 and onwards Indus Consolidation represents consolidation of Bharti Infratel's 42% proportionate shareholding in Indus Towers Ltd under Indian GAAP. Post transition to Ind-AS, Indus consolidation represents consolidation of Bharti Infratel's 42% equity interest in Indus Towers Ltd accounted as per Equity Method.
Intangibles	Comprises of acquisition cost of software.
∞	Not ascertainable (infinite)
Interest Coverage Ratio (LTM)	It is computed by dividing EBITDA for the preceding (last) 12 months from the end of relevant period by interest on borrowing for the preceding (last) 12 months.
IRU	Indefeasible right to use
Lease Rent Equalisation	It represents the effect of fixed escalations (as per the terms of lease agreements with landlords) recognised on straight line basis over the fixed, non-cancellable term of the agreement, as applicable
LTM	Last Twelve months
Market Capitalisation	Number of issued and outstanding shares as at end of the period multiplied by closing market price (NSE) as at end of the period.
Mn	Million
MSA	Master Service Agreement
Maintenance & General Corporate Capex	Represents the capital expenditure undertaken by the company for general maintenance, upkeep and replacement of equipments installed at the towers which is undertaken on the end of their useful life as well as General Corporate related capital expenditure such as on office/ facilities and information technology.
Net Debt/ (Net Cash)	It is not an Ind AS measure and is defined as the long-term borrowing, short-term borrowings and current portion of long-term borrowings minus cash and cash equivalents, current and non-current investments, fixed deposits included in other non-current assets with maturity for more than 12 months and short term loan to the parent company adjusted for unpaid dividend declared and adjusted in equity as at the end of the relevant period.
Net Debt / (Net Cash) to EBITDA (LTM)	It is computed by dividing Net Debt/ (Net Cash) as at the end of the relevant period by EBITDA for preceding (last) 12 months from the end of the relevant period.
Net Debt / (Net Cash) to Funded Equity Ratio	It is computed by dividing Net Debt/ (Net Cash) as at the end of the relevant period by equity attributable to equity shareholders as at the end of the relevant period.
Net Profit Margin (%)	Net Profit Margin ratio is computed by dividing Profit after tax for the year ended by Revenue from Operations for the year ended.

Company Related Terms	
Operating Free Cash flow	It is not an Ind AS measure and is defined as EBITDA adjusted for Capex, revenue equalisation and lease rent equalisation.
Operating Profit Margin (%)	Operating Profit Margin ratio is computed by dividing Profit before depreciation and amortisation, finance cost, finance income, charity and donation, exceptional items and tax for the year ended by Revenue from Operations for the year ended .
PE Ratio	Price to Earnings ratio is calculated as closing market price (NSE) as at the end of relevant period, divided by diluted annual earnings per share. Annual Diluted Earnings per share is calculated by adding the preceding last four quarters diluted Earnings per share
ROC	Registrar of Companies
Return on Capital Employed (ROCE) Pre Tax - (LTM):	ROCE is computed by dividing the sum of EBIT for the period by average (of opening and closing) capital employed
Return on Equity (ROE) (LTM)	ROE is computed by dividing the sum of Profit after tax for the period by average (of opening and closing) equity shareholders' funds
Return on Shareholder's Equity (LTM) Pre Tax	ROE is computed by dividing the sum of Profit before tax and before dividend income from JV and subsidiary for the period by average (of opening and closing) Equity shareholders' funds adjusted for investment in JV and Subsidiary
Return on Shareholder's Equity (LTM) Post tax	ROE is computed by dividing the sum of Profit after tax but before dividend income from JV and subsidiary for the period by average (of opening and closing) Equity shareholders' funds adjusted for investment in JV and subsidiary
Revenue per Employee per month	It is computed by dividing the Total Revenues (net of inter-segment eliminations) by the average number of on – roll employees in the business unit and number of months in the relevant period
Revenue Equalisation	It represents the effect of fixed escalations (as per the terms of service agreements with customers) recognised on straight line basis over the fixed, non-cancellable term of the agreement, as applicable.
SHA	Shareholders Agreement
SLA	Service Level Agreements
Sharing Operator	A party granted access to a tower and who has installed active infrastructure at the tower
Sharing Revenue	It represents service revenue accrued during the relevant period and includes revenue equalisation net of service level credits.
Sharing revenue per Sharing Operator per month	Is calculated on the basis of sharing revenues accrued during the relevant period divided by the average number of co-locations for the period, determined on the basis of opening and closing number of co-locations for the relevant period.
Sharing revenue per Tower per month	Is calculated on the basis of sharing revenues accrued during the relevant period divided by the average number of towers for the period, determined on the basis of opening and closing number of towers for the relevant period
Sharing Revenue per Sharing Operator per month	It is calculated on the basis of sharing revenues accrued during the relevant period divided by the average number of co-locations for the period (including such co-locations for which exit notices have been received, but actual exits have not yet happened as at period end), determined on the basis of opening and closing number of co-locations for the relevant period
Towers	Infrastructure located at a site which is permitted by applicable law to be shared, including, but not limited to, the tower, shelter, diesel generator sets and other alternate energy sources, battery banks, air conditioners and electrical works. Towers as referred to are revenue generating towers
Tower and related infrastructure	Infrastructure Located at site which is permitted by applicable law to be shared, including, but not limited to, the tower, shelter, diesel generator sets and other alternate energy sources, battery banks, air conditioners and electrical works.

Company Related Terms

Regulatory Terms

CSR	Corporate Social Responsibility
BSE	The Bombay Stock Exchange Ltd
DoT	Department of Telecommunications
IP1	Infrastructure Provider Category 1
IPO	Initial Public Offering
ISP license	Internet Service Provider license by DoT
NLD license	National Long Distance license by DoT
NSE	National Stock Exchange
SEBI	Securities and Exchange Board of India
TEC	Telecom Engineering Center
TRAI	Telecom Regulatory Authority of India

Industry Specific & Other Terms

AGM	Annual General Meeting
AP	Access Point
BTS	Base Transceiver Station
CII	Confederation of Indian Industry
DAS	Distributed Antenna System
DG	Diesel Generator
EMF	Electro Magnetic Field
FCU	Free Cooling Unit
GBT	Ground Based Tower
IPMS	Integrated Power Management System
Li-Ion	Lithium Ion Battery
NCU	Natural Cooling Unit
PAN	Presence across Nation
PPC	Plug and Play Cabinet
RESCO	Renewable Energy Service Company
RET	Renewable Energy Technology
RTT	Roof Top Tower
SoS	Emergency Help
TAIPA	Tower and Infrastructure Providers Association
VRLA	Valve-Regulated Lead-Acid Battery
Wi-fi	Wireless Fidelity
ZOM	Zonal Office Manager

Company Related Terms

Company, We, Our	Bharti Infratel Limited
ESOP	Employee Stock Option Scheme
NGO	Non Government Organisation
NCLT	National Company Law Tribunal
O.D BTS	Out Door BTS
RoW	Right of Way
IP-1	Infrastructure Provider Category I (IP-I)
IoT	Internet of Things
TCO	Total Cost of Operation
OFC Network	Optical Fiber Communication
WH	Warehouse
TAT	Turn Around Time
LTE	Long Term Evolution (a 4G mobile communications standard)
GUI	Graphical user interface
MIMO	Multiple Input , Multiple Output
HEX	Heat Exchanger
RCA	Root Cause Analysis
CHR	Circle Human Resource
CST	Central Sales Tax
CoC	Code of Conduct
NABARD	National Bank for Agriculture and Rural Development
NABFINS	NABARD Financial Services Limited
TERI	The Energy and Resource Institute.

Notes

Circle Offices

Bihar & Jharkhand
Alankar Business Centra,
2nd Floor, East Boring Canal Road,
Budha Colony, Patna - 800001, Bihar

Haryana & Himachal Pradesh
8th Floor (South Side), Anantraj
Technology Park, Plot No. 1,
Sector 22, IT Park Panchkula,
Haryana - 134109

Jammu & Kashmir
3rd Floor, 29- GMC, TRG Complex,
Opp Bahu Plaza, Jammu - 180012
Jammu & Kashmir

Madhya Pradesh & Chhattisgarh
H-3, 4th Floor, Metro Tower, Scheme
No.54, A.B. Road, Indore - 452010,
Madhya Pradesh

Odisha
IDCO Plot No. C-3/2, Chandaka
Industrial Area, Chandrasekharpur,
Bhubaneswar - 751021, Odisha

North East States and Assam
6th Floor, Bijay Cresent, Above Reliance
Trends, Near HDFC Bank, Rukminigaon,
Guwahati-781022, Assam

Rajasthan
6th Floor, Plot No. 8 & 9 Corporate Park,
Gopal Bari, Azmer Road,
Jaipur - 302006, Rajasthan

Uttar Pradesh (East)
BBD Viraj Tower, 5th Floor, Vibhuti
Khand, Shaheed Path Gomti Nagar,
Lucknow - 226010, Uttar Pradesh

Uttar Pradesh (West)
Knowledge Boulevard, A-8-A, The 3C
Building, 9th Floor, Sector - 62,
Noida - 201301, Uttar Pradesh

Bharti Infratel Limited

Bharti Infratel Limited

Registered office: 901, Park Centra, Sector 30,
NH-8, Gurugram, Haryana - 122 001, India
CIN: L64201HR2006PLC073821
www.bharti-infratel.com